

CA20N

TR45

- M72

Government  
Publications

# Local Government Finance in Ontario

1978



The Honourable Frank S. Miller  
Minister of Treasury and Economics

The Honourable Thomas L. Wells  
Minister of Intergovernmental Affairs



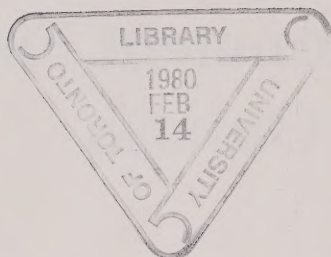
# Local Government Finance in Ontario

1978



The Honourable Frank S. Miller  
Minister of Treasury and Economics

The Honourable Thomas L. Wells  
Minister of Intergovernmental Affairs



Copies may be obtained from  
Municipal Finance Branch,  
Ministry of Treasury and Economics  
Frost Building South, Queen's Park,  
Toronto, Ontario M7A 1Y7  
Phone: (416) 965-1074, or

Ontario Government Bookstore  
880 Bay Street,  
Toronto, Ontario M7A 1N8  
Phone: (416) 965-2054



# Table of Contents

## PART I

### Local Government Financial Performance: 1978

<b>Chapter 1</b>	<b>1978 Local Sector Financial Performance</b>	
	Overview . . . . .	3
	Expenditures . . . . .	3
	Revenues . . . . .	4
	Mill Rates and Tax Levels . . . . .	5
	Year-End Position . . . . .	6
	Summary . . . . .	7
<b>Chapter 2</b>	<b>Municipal Revenue Fund Operations</b>	
	Expenditures — Overview . . . . .	8
	Expenditures by Object . . . . .	8
	Expenditures by Function . . . . .	11
	Revenues . . . . .	16
<b>Chapter 3</b>	<b>Municipal Capital Fund Operations</b>	
	Expenditure Overview . . . . .	21
	Expenditure by Municipal Areas . . . . .	22
	Changes in Spending in Municipal Areas . . . . .	24
	Financing Overview . . . . .	25
	Revenues by Municipal Area . . . . .	26
<b>Chapter 4</b>	<b>School Board Finances</b>	
	Expenditures . . . . .	29
	Revenues . . . . .	32
	Comparison of School Board Revenues by Area . . . . .	33
<b>Chapter 5</b>	<b>Provincial Assistance</b>	
	Overview . . . . .	35
	Level of Provincial Assistance by Municipal Area . . . . .	36
	Payments in Lieu of Taxes . . . . .	37
	Payments in Lieu of Taxes by Municipal Area . . . . .	37
	Unconditional Grants . . . . .	38
	Unconditional Grants by Municipal Area . . . . .	38
	Conditional Operating Grants . . . . .	39
	Conditional Operating Grants by Municipal Area . . . . .	40
	Conditional Capital Grants . . . . .	42
	Level of Capital Grants by Municipal Area . . . . .	42
<b>Chapter 6</b>	<b>Property Taxation</b>	
	Overview . . . . .	43
	Mill Rate and Assessment Analysis . . . . .	43
	Property Taxes by Tax Class . . . . .	44
	Property Taxation by Type of Property . . . . .	46
	Residential Property Taxes . . . . .	50
	Residential Tax Burden . . . . .	52
	Net Residential Tax Burden . . . . .	52
<b>Chapter 7</b>	<b>Long Term Borrowing, Debt and Debt Charges</b>	
	Long Term Borrowing — Overview . . . . .	54
	Long Term Borrowing by Municipal Area . . . . .	54
	Total Long Term Liabilities . . . . .	56
	Net Long Term Debt Outstanding by Function . . . . .	58
	Net Long Term Debt Outstanding by Municipal Area . . . . .	59
	Debt Charges — Overview . . . . .	60
	Debt Charges by Municipal Area . . . . .	62

<b>Chapter 8</b>	<b>Year-End Position</b>	
	Revenue Fund . . . . .	64
	Capital Fund . . . . .	65
	Reserves and Reserve Funds . . . . .	67
	Municipal Reserves and Reserve Funds . . . . .	68
	School Board Reserves and Reserve Funds . . . . .	68
	Tax Collections and Arrears . . . . .	69

## **PART II**

### **Sources of Capital Financing 1975-1978**

<b>Chapter 1</b>	<b>Introduction</b> . . . . .	73
<b>Chapter 2</b>	<b>Sources of Capital Financing 1975-1978</b>	
	Financial Overview . . . . .	75
	Contributions from Own Funds . . . . .	75
	Provincial Grants . . . . .	76
	Other Revenue . . . . .	79
	Long Term Borrowing . . . . .	80
<b>Chapter 3</b>	<b>Relationships Among Sources of Financing</b> . . . . .	82
	Considerations in the Use of Long Term Borrowing . . . . .	82
	Considerations in the Use of Contributions from the Revenue Fund . . . . .	84
	Constraints Affecting the Choice of Borrowing or Use of an In-Year Levy . . . . .	84
	The Impact of Changes in Interest Rates . . . . .	86
<b>Chapter 4</b>	<b>Impact of Own Source Capital Financing in Overall Operations</b> . . . . .	88

## **Appendix A**

### **Detailed Financial Data by Upper Tier**

Demographics . . . . .	95
Municipal Revenue Fund Revenues . . . . .	98
Municipal Revenue Fund Expenditures . . . . .	101
Municipal Capital Fund Financing . . . . .	106
Municipal Capital Fund Applications . . . . .	108
School Board Revenue Fund Revenues . . . . .	112
School Board Revenue Fund Expenditures . . . . .	113
School Board Capital Fund . . . . .	114
Local Government Debt . . . . .	115

## **Appendix B**

### **Detailed Financial Data Per Household by Municipal Area**

Municipal Revenue Fund Expenditures . . . . .	119
Municipal Revenue Fund Revenues . . . . .	124
Municipal Capital Fund Spending . . . . .	127
Municipal Capital Fund Revenues . . . . .	129
Unconditional Grants . . . . .	133
Conditional Operating Grants . . . . .	133
Conditional Capital Grants . . . . .	134
Long Term Borrowing . . . . .	135
Net Debt and Unfinanced Capital Expenditures . . . . .	137
Net Long Term Debt Outstanding . . . . .	139
Debt Charges . . . . .	143

## Preface

This publication presents the financial statistics and an analysis of the performance of local government in Ontario in 1978. It follows the similar 1978 publication "Local Government Finance in Ontario, 1977", and provides the most recent financial data on the operations of the total local government sector in Ontario.

This publication continues the effort of the provincial government in making available detailed and pertinent information on the financial and fiscal performance of the local sector. The 1978 information has been compared to prior years' data to produce an analysis of local government performance since 1975.

This study includes a report of the financial performance of local government in 1978, both in the aggregate and on a per household basis by municipal area, an analysis of the sources of capital financing available to municipalities and an appendix which summarizes local government finance in the province by upper tier as required by section 223 of The Municipal Act.



Treasurer of Ontario



Minister of Intergovernmental Affairs

21st December, 1979





Digitized by the Internet Archive  
in 2024 with funding from  
University of Toronto

# Introduction

This publication is comprised of two parts and two appendices which provide some of the key local government financial statistics in Ontario for 1978 and an analysis of local government financial performance.

Part I provides an analysis of the 1978 financial data for all local government in aggregate and for six municipal areas in the province. The six areas are defined according to municipal structure and location. The analysis compares 1978 to previous years and the analysis of the six areas makes comparisons among types of municipality. Appendix B supplies the supporting financial data for each of the six municipal areas.

Part II of this publication analyzes the sources of funds for capital expenditures. This part examines each source of capital financing in some detail and ultimately its impact on residential taxpayers.

Appendix A provides a summary by upper tier of the financial statistics of all local government in Ontario. Detailed information is available from the Ministry's data bank. In general, detailed or summary data are provided free of charge, but the Ministry reserves the right to recover the costs of meeting requests for large volumes of data.

Requests for detailed information should be directed to the Municipal Finance Branch at 416-965-1074.





**PART I. LOCAL GOVERNMENT FINANCIAL  
PERFORMANCE: 1978**



# Chapter 1

## 1978 Local Sector Financial Performance

### Overview

Any commentary on the financial performance of the local government sector in Ontario should be made in an appropriate context. For municipalities and school boards this context must at least include population growth and household formation, both in the year being examined and in the immediate past. Increases in assessment, the income of property taxpayers and perhaps most significant, the inflation rate should also be considered.

Table 1-1 shows the changes in these fundamental factors over the period 1975 to 1978 and 1978 compared to 1977. It should be noted that in 1978 compared to 1977 and prior years, the rate of population growth declined while household formation and assessment growth remained relatively high. Increases in average income per household, which in the past exceeded the rate of inflation as measured by the Consumer Price Index, were below that rate in 1978.

Socio-Economic Characteristics			Table 1-1	
	1975	1978	1978/75 % Change	1978/77 % Change
Population (000)	8,053	8,319	3.3	0.5
Households (000)	2,880	3,133	8.8	2.7
Total Equalized Assessment (\$M)	77,500	86,515	11.6	3.8
Average Income/Household (\$)	18,000	22,800	26.7	7.5
Gross Provincial Product (\$M)	65,655	90,250	37.5	10.1
Consumer Price Index (1971=100)	138.5	175.2	26.5	8.9

In general, relatively large increases in assessment and household formation are significant for municipalities in particular. Historically, household formation has had a more direct effect on municipal spending than simple population growth. For school boards, population growth has tended to be more significant. As the age composition of Ontario's population has been changing, in particular as the number of people in the age group 24 to 45 has been increasing at a relatively high rate even when the overall population increase has been low, the demand for services varies accordingly on the two main local government jurisdictions, municipalities and school boards. Of course, high rates of inflation increase the cost of providing services for the whole sector.

### Expenditures

Spending by local government\* increased by \$733 million or 8.8 per cent in 1978, bringing the total to \$9.1 billion. This growth was significantly lower than in previous years, as spending restraint at the local level became increasingly effective. The corresponding growth rate had been 10.9 per cent in 1977 and 11.2 per cent in 1976. For the first time in the 1970s, local government expenditure increase was less than the growth of the Gross Provincial Product. Therefore, local government decreased its share of the Gross Provincial Product from 10.1 per cent to 10.0 per cent.

\*Local government is made up of the municipal sector and school boards. The municipal sector, usually referred to as "municipalities" in the text, actually consists of municipalities and their enterprises and agencies, and semi-independent agencies such as conservation authorities and public health units.

Factors causing spending growth were demographic changes, including population and household increases, inflation and a desire to improve the quality and scope of local government services. Table 1-1 shows that the Consumer Price Index increased by 8.9 per cent. The fact that the average income per household increased 7.5 per cent, less than the increase in the Consumer Price Index, suggests that the ability to pay for improved local services was less than in previous years. Local government spending per household increased by 5.9 per cent, much less than the rate of inflation.

Municipal spending increased by 8.9 per cent in 1978, Table 1-2. This was a result of a 10.4 per cent increase in revenue fund spending (excluding transfers to capital and a 4.0 per cent increase in capital spending. Clearly, municipalities used capital expenditure restraint as the primary tool to achieve overall restraint. Nevertheless, growth of revenue fund spending per household, 7.5 per cent (excluding transfers to the capital fund), was also held to less than the rate of inflation as measured by the Consumer Price Index.

Local Government Spending Table 1-2

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>Municipalities</i>				
Revenue Fund*	2,890	4,011	38.7	10.4
Capital Fund	1,046	1,194	14.1	4.0
Subtotal	3,936	5,205	32.2	8.9
<i>School Boards</i>				
Revenue Fund*	2,601	3,680	41.5	7.8
Capital Fund	209	170	-18.7	32.8
Subtotal	2,810	3,850	37.0	8.7
<i>Total Local Sector</i>				
Revenue Fund*	5,491	7,691	40.0	9.2
Capital Fund	1,255	1,364	8.7	6.9
TOTAL	6,746	9,055	34.2	8.8
Total Spending per Household	2,342	2,289	23.4	5.9
Inflation (%)			26.5	8.9
Growth of GPP (%)			37.5	10.1

\*Revenue Fund performances shown here are "net". Capital spending out of current operations have been included in the Capital Fund.

School board spending increased at a slower rate than municipal spending in 1978. Capital fund spending increased by 32.8 per cent. Revenue fund spending increased 7.8 per cent, 2.6 percentage points less than the corresponding figure for municipalities. However, on a per student basis, revenue fund spending increased 10.1 per cent, continuing to surpass the general inflation rate for consumers. The ratio of students to teachers was 21.2 in 1978, a marginal increase from 1977.

## Revenues: Sources of Financing

Local government revenues increased by \$549 million or 6.5 per cent in 1978, Table 1-3. Property taxation increased 8.2 per cent to \$3.4 billion and Ontario grants increased 5.4 per cent to \$3.6 billion. These continued to be the two major revenue sources of local government. Long term borrowing fell 32.2 per cent because of the combination of relatively stable capital expenditures and increased use of current revenue sources for capital financing. Also, a large proportion of capital spending had not been financed for the long term at year-end.

In 1978, the municipal sector increased its revenues by 5.7 per cent. Property taxes increased 7.4 per cent and provincial grants increased 6.6 per cent. Taxation and Ontario grants continued to be the most important revenue sources, with taxation accounting



for slightly more revenue. Specific user fees and other revenues, although smaller, grew more rapidly, by 14.5 per cent and 26.3 per cent respectively. Borrowing decreased 42.5 per cent while the unfinanced portion of capital spending increased 144.6 per cent.

School board revenues increased more rapidly at 7.5 per cent. Even more than for municipalities, taxation and Ontario grants predominate as revenue sources, with grants the larger of the two. These sources increased by 9.0 per cent and 4.4 per cent respectively.

Local Government Revenues			Table 1-3	
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>Municipalities</i>				
Taxation	1,311	1,785	36.2	7.4
Ontario Grants	1,276	1,626	27.4	6.6
Specific User Fees	495	725	46.5	14.5
Other Revenues	414	749	80.9	26.3
Borrowing	306	267	-12.7	-42.5
Subtotal	3,802	5,152	35.5	5.7
<i>School Boards</i>				
Taxation	1,040	1,663	59.9	9.0
Ontario Grants	1,659	1,992	20.1	4.4
Other Revenues	50	82	64.0	28.1
Borrowing	89	87	-2.2	50.0
Subtotal	2,838	3,824	34.7	7.5
<i>Total Local Sector</i>				
Taxation	2,351	3,448	46.7	8.2
Ontario Grants	2,935	3,618	23.2	5.4
Specific User Fees	495	725	46.5	22.1
Other Revenues	464	831	79.1	25.5
Borrowing	395	354	-10.4	-32.2
TOTAL*	6,640	8,976	35.1	6.5
*Total spending, Table 1-2, does not equal total revenue, Table 1-3, because of the unfinanced portion of capital spending. For a full explanation on the latter, see Chapter 3 in this report.				

### Mill Rates and Tax Levels

Total mill rates (municipal and school rates combined, Table 1-4) increased on average by 4.1 per cent in 1978. This increase was dramatically lower than the 11 per cent increase in 1977. The education mill rate increase of 5.3 per cent was higher than the municipal increase of 3.0 per cent. Both of these increases were well below the 1977 increases of 14 per cent and 9 per cent respectively.

Mill Rate Increases			Table 1-4	
	1978/75 % Change	1978/77 % Change		
Municipal	13.7	3.0		
School	43.6	5.3		
TOTAL	28.3	4.1		

Average residential property taxes, Table 1-5, rose to \$607 per household in 1978 or by 4.8 per cent. Property tax offsets\* per household increased by 2.6 per cent. Net taxes on an average residence, therefore, increased by 5.4 per cent, less than both the inflation rate and the increase in average household income. Average net taxes per household in the province were 2.1 per cent of household income.

\*For an explanation of property tax offsets see Chapter 6.

## Residential Tax Levels

Table 1-5

	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Average Gross Residential Property Taxes per Household	466	607	30.3	4.8
Average Gross Residential Property Taxes per Household/Average Household Income (%)	2.6	2.7	3.8	0
Average Net Residential Property Taxes per Household	351	489	39.3	5.4
Average Net Residential Property Taxes per Household/Average Household Income (%)	2.0	2.1	5.0	-4.5

## Year-End Position

At the end of 1978, local government had an accumulated revenue fund surplus of \$236 million, an increase of almost 15 per cent over 1977. The \$30 million increase in 1978 in the revenue fund surplus was comprised of a \$54 million increase by municipalities partially offset by a \$24 million decrease by school boards. Local government is required to balance their in-year revenues and expenditures of the revenue fund. As a result of in-year savings or cost overruns because of circumstances beyond local government control such as a milder or harsher winter than usual, surpluses and deficits occur from year to year. Though the accumulated surplus position increased by 14.5 per cent in 1978, the change from 1975 was small at 10.8 per cent. Over the period 1975 to 1978, the overall year-end accumulated surplus for local government was highest in 1978 and second highest in 1975 at \$213 million. The intervening years, 1976 and 1977, were lower.

## Year-End Balances

Table 1-6

	1975 \$ Million	1977 \$ Million	1978 \$ Million
<i>Revenue Fund Surplus</i>			
Municipalities	140	163	217
School Boards	73	43	19
Total Local Sector	213	206	236
<i>Capital Fund Unfinanced Capital Outlay</i>			
Municipalities	238	74	181
School Boards	20	12	14
Total Local Sector	258	86	195
<i>Reserve and Reserve Funds</i>			
Municipalities	458	703	799
School Boards	90	99	109
Total Local Sector	548	802	908

The capital fund year-end position has a greater tendency to fluctuate than the revenue fund. These fluctuations occur mainly because municipalities withhold a debenture issue while awaiting better interest rates in the market or while consolidating borrowing for a number of different capital projects. School boards tend to finance a project before completion. As a result, expenditures and financing may not occur in the same calendar year. In 1978 local government had a total of \$195 million in unfinanced capital outlays. Municipalities had unfinanced \$181 million in expenditures, and school boards had \$14 million.

The combined reserves and reserve funds balances for local government reached \$908 million in 1978, an increase of almost 66 per cent since 1975 and 13.2 per cent

over 1977. The highest level of growth occurred in the municipal sector which increased by 13.7 per cent over 1977 totalling \$799 million at year-end 1978. School boards have had substantially lower reserves and reserve funds, and these increased by 10.1 per cent over 1977, reaching \$109 million in 1978. Similarly, since 1975 municipal sector growth in reserves and reserve funds has been much higher than school boards, 74.5 per cent versus 21.1 per cent respectively.

Taxes Uncollected at Year-End

Table 1-7

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>Taxes Uncollected at Year End</i>				
Current Year	142	188	32.4	1.6
Previous Year	29	43	48.3	16.2
Prior Years	15	17	13.3	30.8
Total	186	248	33.3	5.5
<i>Arrears Household</i>				
Current Year (\$)	50	55	10.0	-6.8
Prior Years (\$)	15	24	60.0	41.2
Total (\$)	65	79	21.5	3.9

At the end of 1978 uncollected property taxes totalled \$248 million, Table 1-7. This was made up of \$188 million in current year uncollected taxes and \$60 million from prior years. Since 1975, uncollected taxes have increased by 33.3 per cent, somewhat lower than the increase in total taxes levied.

Uncollected taxes per household reached \$79 in 1978 for all properties. This was an increase of 21.5 per cent over 1975 and an increase of 3.9 per cent over 1977. Again, considering the increase in total taxation per household, arrears have declined in comparison.

### Summary

Local government was successful in restraining spending in 1978. It did so primarily by holding down capital spending increases, and by keeping increases in spending per household on current operations below inflation and below the rate of increase in the Gross Provincial Product. At the same time, local government moved to a more conservative capital financing policy. A higher proportion of capital expenditures was financed from current revenues, resulting in sharply reduced borrowing. The trends in capital operations augur well for local government's ability to restrain operating expenditures in the future. Fewer new facilities will be coming on stream to create additional operating expenses, and those that do will require much lower expenditures in the form of debt charges.

School expenditure increases were moderate as enrolment continued to decline. However, expenditure per pupil increased by more than the rate of inflation. This is, at least in part, the result of school boards releasing junior staff first. The overall trend of recent years to lower student/teacher ratios appears to have been halted in 1978.

## Chapter 2

# Municipal Revenue Fund Operations

### Expenditures — Overview

Total municipal revenue fund spending increased \$394 million in 1978, from \$3.8 billion to \$4.2 billion. This was an increase of 10.3 per cent and lower than the 12.5 per cent growth that occurred in 1977. On a per household basis revenue fund spending increased 7.4 per cent in 1978, compared to 9 per cent in 1977.

The Consumer Price Index increased by 8.9 per cent. This index is a measure of the cost of goods and services used by consumers, rather than the cost to municipalities of providing services. Nevertheless, it is the best known indicator of the general level of inflation, and no specific index of municipal costs has been calculated on a similar regular basis. The Consumer Price Index increase was higher than the 7.4 per cent increase in revenue fund expenditures per household. This implies that the level of municipal services declined in 1978, at least measured on a financial basis using the Consumer Price Index. In 1977, the level of services, measured in the same way, increased by 1 per cent.

Total spending per household was highest in Metro Toronto at \$1812 and lowest in the rural south at \$862.\* Urban expenditure levels were higher than rural levels because in rural areas many services are either not provided by the municipalities or are provided at a much lower standard. Metro Toronto aside, the urban south spent less per household than the urban north and the rural south spent less than the rural north. This pattern occurs because of higher costs faced by northern municipalities and higher Ontario grants to meet these costs.

Growth in expenditure per household varied from a low of 4.3 per cent in the rural north to a high of 9.8 per cent in Metro Toronto. Only in the rural south and Metro Toronto did expenditures per household increase by more than the Consumer Price Index.

### Expenditures by Object

In 1978, salaries, wages and employee benefits comprised 47.3 per cent of municipal operating expenditures, Table 2-1. Materials, purchased services and other expenses, such as short term borrowing for operating expenses, comprised 25.9 per cent. Together with the 8.1 per cent of spending on transfers to others, mainly organizations providing services deemed beneficial to the municipality, these make up the category of operating

\*For purposes of analysis municipalities have been classified using six categories:

1. Metropolitan Toronto
2. Regions (including the District Municipality of Muskoka and the Restructured County of Oxford)
3. Southern Cities (only those in counties)
4. Northern Cities (only those in districts)
5. The Rural South (all municipalities in counties except cities)
6. The Rural North (all municipalities in districts except cities)

To facilitate comparisons among the categories, the data is presented on a per household basis. Comparisons on a per household basis are intended to neutralize the effect of growth over time as well as the different size of municipalities. Although there are certain shortcomings in using this particular basis for comparisons, it is probably the best single factor, especially for comparing periods greater than 3 years.



Municipal Revenue Fund Spending By Object

Table 2-1

	1978 \$ Million	Distribution %
<i>Operating</i>		
Salaries, Wages and Employee Benefits	1,995	47.3
Materials, Services and Other	1,094	25.9
Transfers	344	8.1
Subtotal	3,443	81.3
<i>Financial</i>		
Debt Charges	427	10.1
Transfers to Capital Fund	210	5.0
Transfers to Reserves and Reserve Fund	151	3.6
Subtotal	788	18.7
TOTAL	4,221	100.0

1978 Municipal Revenue Fund Spending Per Household By Object

Table 2-2

	Metro Toronto	Regions	Southern Cities	Northern Cities	Rural South	Rural North	Province
	\$	\$	\$	\$	\$	\$	\$
<i>Operating Expenses</i>							
Salaries, Wages and Employee Benefits	980	601	575	785	307	441	637
Materials, Supplies and Financial Expenses	344	376	289	362	336	385	349
Transfers	168	92	119	129	60	96	110
Subtotal	1,492	1,069	983	1,276	703	922	1,096
<i>Financial Items</i>							
Debt Charges	217	134	131	132	55	50	136
Transfers to Capital Fund	59	64	56	78	79	113	67
Transfers to Reserves and Reserve Funds	44	64	34	93	25	54	48
Subtotal	320	262	221	303	159	217	251
TOTAL	1,812	1,331	1,204	1,579	862	1,139	1,347

expenditures which accounted for 81.3 per cent of spending. Expenditures by object are shown on a household basis in Table 2-2.

Rural areas spent relatively more on materials, services and financial expenses and the urban areas relatively more on salaries, wages and benefits, Table 2-3. This partly reflected the mix of services provided. In rural areas, the emphasis was on roads maintenance, with higher materials requirements. It also reflected the fact that rural municipalities were more likely to contract out their services.

In rural areas, transfers to the capital fund invariably exceeded debt charges, while in urban areas the reverse was true. This reflected the greater reliance of urban areas on borrowing as a means of capital financing.

In spite of the above differences within the operating and financial categories, the distribution of spending between them was quite uniform across the province. The proportion spent on Financial Items varied from a low of 17.7 per cent in Metro Toronto to a high of 19.7 per cent in the regions.

The growth rates of the various object categories were not dramatically different, Table 2-4. The fastest growing municipal category was Metro Toronto, which increased its spending by 9.8 per cent in 1978, including an 8.7 per cent increase in operating expenditures, Table 2-5.



# Composition of Municipal Revenue Fund Spending Per Household By Object

Table 2-3

	Metro Toronto		Regions		Cities South	
	1977 %	1978 %	1977 %	1978 %	1977 %	1978 %
<i>Operating Expenses</i>						
Salaries, Wages and Employee Benefits	53.7	54.0	44.0	45.1	48.4	47.7
Materials, Services and Financial Expenses	20.2	19.0	27.6	28.3	23.5	24.0
Other Transfers	9.3	9.3	8.3	6.9	9.2	9.9
Subtotal	83.2	82.3	79.9	80.3	81.1	81.6
<i>Financial Items</i>						
Debt Charges	11.6	12.0	10.3	10.1	11.1	11.0
Transfers to Capital Fund	3.2	3.3	5.0	4.8	4.6	4.6
Transfers to Reserves and Reserve Funds	2.0	2.4	4.8	4.8	3.2	2.8
Subtotal	16.8	17.7	20.1	19.7	18.9	18.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1977 %	1978 %	1977 %	1978 %	1977 %	1978 %
<i>Operating Expenses</i>						
Salaries, Wages and Employee Benefits	50.2	49.7	32.3	35.6	35.4	38.7
Materials, Services and Financial Expenses	22.1	22.9	38.6	39.0	35.9	33.8
Other Transfers	7.6	8.2	10.1	7.0	11.4	8.4
Subtotal	79.9	80.8	81.0	81.6	82.7	80.9
<i>Financial Items</i>						
Debt Charges	8.5	8.4	6.3	6.3	4.5	4.4
Transfers to Capital Fund	5.7	4.9	9.7	9.2	8.3	9.9
Transfers to Reserves and Reserve Fund	5.9	5.9	3.0	2.9	4.5	4.8
Subtotal	20.1	19.2	19.0	18.4	17.3	19.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

# Municipal Revenue Fund Spending By Object

Table 2-4

	1975 \$ Million	1977 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>Operating Expenses</i>					
Salaries	NA	1,777	1,995	—	12.3
Supplies	NA	1,000	1,094	—	9.4
Transfers	NA	336	344	—	2.4
Subtotal	2,525	3,113	3,433	36.0	10.3
<i>Financial Items</i>					
Debt Charges	299	385	427	42.8	10.9
Transfers to Capital Fund	168	194	210	25.0	8.2
Transfers to Reserves and Reserve Fund	87	135	151	73.6	11.9
Subtotal	554	714	788	42.2	10.4
TOTAL	3,079	3,827	4,221	37.1	10.3

Changes In Municipal Revenue Fund Spending  
Per Household By Object

Table 2-5

	Metro Toronto 1978/77 % Change	Regions 1978/77 % Change	Cities South 1978/77 % Change	Cities North 1978/77 % Change	Rural South 1978/77 % Change	Rural North 1978/77 % Change	Province 1978/77 % Change
<i>Operating Expenses</i>							
Salaries, Wages and Employee Benefits	10.6	9.4	3.6	6.2	16.7	14.2	9.6
Materials, Services and Financial Expenses	3.0	9.0	7.8	11.3	7.0	−1.8	6.4
Other Transfers	10.5	−10.7	13.3	13.2	−25.9	−4.0	−1.8
Subtotal	8.7	7.2	5.9	8.3	6.8	5.0	7.3
<i>Financial Items</i>							
Debt Charges	13.6	4.7	3.1	5.6	7.8	4.1	7.9
Transfers to Capital Fund	11.3	0	5.7	−9.3	0	24.2	4.7
Transfers to Reserves and Reserve Funds	29.4	1.6	−5.6	6.9	4.2	10.2	9.1
Subtotal	15.1	4.4	2.3	2.3	3.2	15.3	7.3
TOTAL	9.8	6.6	5.8	6.7	6.0	4.3	7.4

In 1978, the number of continuous full-time municipal employees dropped by 0.7 per cent to 100,810\*. However, the cost of staff increases in 1977 was still working through the system. 1978 was the first full budget year at the higher staffing levels of 1977. The 1977 increase in full-time continuous employees had been 4.6 per cent.

On a household basis, all categories except northern cities and the rural south reduced staff in 1978, Table 2-6. Only in the northern cities was the growth in staff higher than in 1977.

Northern cities increased staff by 1.6 per cent while increasing revenue fund spending for salaries, wages and benefits by 5.7 per cent, both on a per household basis. This happened in a period of significant inflation. Municipalities can do this in a number of ways. First, the cost of new staff usually does not have its full impact until the next year, 1979. Second, temporary staff can be reduced, possibly by conversion to full time staff. Finally, the new staff can be assigned to capital projects. In this case the expenditure increases would not appear in the revenue fund.

Municipal Employees per 1000 Households

Table 2-6

	1976	1977	1978	1977/76 % Change	1978/77 % Change
Metropolitan Toronto	45.7	46.0	45.9	0.7	−0.2
Regions	33.0	32.9	31.1	−0.2	−5.4
Southern Cities	27.9	29.1	27.4	4.2	−6.0
Northern Cities	43.0	43.5	44.1	1.2	1.4
Rural South	18.3	19.8	20.0	8.0	0.9
Rural North	24.1	25.0	24.7	4.0	−0.9

## Expenditures By Function

Spending increases on individual functions varied widely in 1978, Table 2-7. On a per household basis, only health and social services spending and general government

\*This is the number of continuous full-time employees of municipalities and consolidated entities only. Consolidated municipal entities are municipal enterprises, boards, commissions and agencies whose boundaries are coterminous with the municipality's and whose financial operations are incorporated in the municipality's financial statements. Since 1977 all municipal entities with the exception of municipal hospitals, hydro systems, gas and telephone utilities, children's aid societies and conservation authorities have been consolidated. For the purpose of this report, the operations of non-coterminous agencies such as children's aid societies and conservation authorities have been consolidated to reflect not only the municipal contribution to these agencies, but also their total financial operations.

spending increased at more than the rate of increase in the Consumer Price Index. Generally, the growth rates of the different functions were not as high as those experienced in 1977. Despite shifts in the composition of current expenditures, Table 2-8, transportation, protection, and health and social services remained the major spending areas, accounting for over 60 per cent of spending.

Municipal Revenue Fund Spending

Table 2-7

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>General Government</i>	273	430	57.5	17.8
<i>Protection</i>				
Police	284	408	43.7	9.3
Fire	177	236	33.3	7.9
Conservation	49	54	10.2	18.0
Other	34	48	41.2	10.3
Subtotal	544	746	37.1	9.5
<i>Transportation</i>				
Roads	482	629	30.5	3.7
Transit	293	381	30.0	9.6
Other Transportation**	56	74	32.1	27.1
Subtotal	831	1,084	30.4	7.1
<i>Environment</i>				
Sewer	166	252	51.8	9.7
Water	210	234	11.4	10.5
Solid Waste	98	142	44.9	16.1
Subtotal	474	628	32.5	11.4
<i>Health and Social Services</i>				
Public Health	64	84	31.3	6.8
Other Health	30	47	56.7	10.2
Gen. Assistance	186	237	27.4	15.0
Elderly	152	212	39.5	12.2
Day Nurseries	26	40	53.8	12.8
Children's Aid	87	114	31.0	13.0
Subtotal	545	732	34.3	12.5
<i>Culture and Recreation</i>				
Parks and Recreation	260	332	27.7	8.8
Libraries	77	154	100.0	8.6
Subtotal	337	486	44.2	8.7
<i>Planning and Development*</i>	75	115	53.3	7.5
TOTAL	3,079	4,221	37.1	10.3

Composition of Municipal Revenue Fund Spending

Table 2-8

	1975 %	1977 %	1978 %
General Government	9.0	9.5	10.2
Protection	17.8	17.8	17.6
Transportation	26.9	26.4	25.7
Environment	14.5	14.7	14.9
Health and Social	18.1	16.9	17.4
Culture and Recreation	11.0	11.9	11.5
Planning and Development	2.7	3.0	2.7
TOTAL	100.0	100.0	100.0

\*Planning and development services carried on by municipalities include planning and zoning operations, industrial parks and land assembly, industrial development commissions, residential development including public housing, reforestation, grants to agricultural societies, tile drainage and projects carried out under The Shoreline Property Assistance Act.

\*\*\*Other transportation" includes parking, street lighting, municipal airports and other miscellaneous (harbour commissions, etc.). Winter works (snow removal, etc.) is included in roads.

# 1978 Municipal Revenue Fund Spending Per Household

Table 2-9

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
General Government	167	150	103	110	100	158	137
Protection	356	240	258	292	82	102	238
Transportation	494	317	253	343	279	291	346
Environment	240	215	233	212	102	168	200
Health & Social Services	306	218	187	364	185	233	235
Culture & Recreation	219	151	144	205	77	149	155
Planning & Development	30	40	30	53	39	39	37
TOTAL	1,812	1,331	1,207	1,579	862	1,139	1,347

Expenditures per household are shown by municipal category in Table 2-9.

Transportation, the function with the highest spending, had the lowest growth. This has been the case for some time. The relatively low growth rate of 7.1 per cent is the result of many factors. A high quality transportation system has been in place for some time. In contrast to many other municipal functions, upgrading of the service compared to the existing base has not occurred recently, perhaps with the exception of the Spadina subway line in Metro Toronto. As a result, debt charges increased only 7 per cent in 1978, and transfers to own funds for current or future capital expenditures did not increase at all. The slowdown in upgrading also implies that in the long run operating expenditures increase only as a result of inflation and population growth. A second factor limiting expenditure increases is the relative ease with which roads maintenance expenditures can be reduced in times of financial constraint. In the long run, insufficient maintenance leads to deterioration of the road system, but in the short run the visible deterioration is minor. There can be no doubt some municipalities have economized in this way. A third limiting factor, which again relates to roads in particular, is the limited availability of Ontario roads grants. Many municipalities (but by no means all) base their roads budgets entirely on the availability of Ontario grants. In 1978, these grants (revenue funds and capital fund combined) increased by 5.5 per cent.

Transportation was especially significant in the rural south where it accounted for 32.4 per cent of spending in 1978, Table 2-10. This is only partly explained by the low spending on many other functions in the rural south. More important is the fact that the rural south spent \$267 per household on roads, more than any other category of municipalities and substantially more than the provincial average of \$201.\* The reason for this is the large number of miles of roads to be maintained relative to the number of households serviced. Transportation was also especially important in Metropolitan Toronto where it accounts for 27.4 per cent of spending. Transit expenditures in Metro Toronto amounted to \$323 per household as compared with \$95 in northern cities, the municipal category with the second highest spending on this function.

The growth rates for transportation spending did not vary widely by municipal category, Table 2-11. However, there is a wide variation by sub-function. Across the province, roads expenditures increased only 1.0 per cent on a per household basis, compared with 7.0 per cent for transit and 26.3 per cent for other transportation. Roads expenditure per household actually decreased 1.8 per cent in regions, while transit increased 14.5 per cent in northern cities.

Protection, the function with the second largest spending, increased 9.5 per cent to \$746 million in 1978. This increase was well below the 12.9 per cent experienced in 1977. Protection is a labour intensive function and increases in salaries, wages and benefits of 8.2 per cent for fire and 10.2 per cent for police explained the lower growth rate in 1978 compared to 1977.

\*For a detailed breakdown of spending on transportation (roads, transit and other), see Appendix B, Tables B2-7 to B2-10.



Composition of Municipal Revenue Fund Spending Per Household Table 2-10

	Metro Toronto		Regions		Cities South	
	1977 %	1978 %	1977 %	1978 %	1977 %	1978 %
General Government	8.6	9.2	9.9	11.3	8.5	8.5
Protection	19.6	19.6	18.5	18.0	21.4	21.4
Transportation	27.6	27.3	25.1	23.8	20.5	21.0
Environment	13.3	13.2	15.6	16.2	19.8	19.3
Health and Social Services	16.7	16.9	15.9	16.4	15.2	15.4
Culture and Recreation	12.3	12.1	11.8	11.3	11.9	11.9
Planning and Development	1.8	1.7	3.2	3.0	2.7	2.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1977 %	1978 %	1977 %	1978 %	1977 %	1978 %
General Government	7.0	7.0	11.3	11.6	12.6	13.9
Protection	19.0	18.5	9.2	9.5	9.0	9.0
Transportation	22.0	21.7	34.0	32.4	26.4	25.5
Environment	13.8	13.4	11.7	11.8	14.8	14.7
Health and Social Services	22.6	23.0	20.9	21.2	21.5	20.4
Culture and Recreation	12.6	13.0	8.7	8.9	12.4	13.1
Planning and Development	3.0	3.4	4.2	4.6	3.3	3.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Municipal Revenue Fund Spending Per Household Table 2-11

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
General Government	77.7	16.0	36.4	21.0	22.6	5.1
Protection	34.8	10.2	25.7	3.4	18.3	5.3
Transportation	22.0	8.3	18.7	1.3	27.1	7.7
Environment	31.1	9.6	30.3	10.3	22.6	2.6
Health and Social Services	31.3	10.7	23.2	10.1	12.7	7.5
Culture and Recreation	31.9	7.9	26.9	2.7	28.6	5.1
Planning and Development	20.0	0	33.3	0	50.0	-3.2
TOTAL	32.3	9.8	25.7	6.6	22.0	5.2
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
General Government	20.9	5.8	35.1	8.7	58.0	14.5
Protection	16.8	3.5	20.6	9.3	29.1	4.1
Transportation	31.4	5.5	14.8	1.1	26.6	0.7
Environment	32.5	3.9	36.0	7.4	34.4	3.7
Health and Social Services	15.2	8.7	25.8	8.8	25.9	-0.9
Culture and Recreation	44.4	10.2	57.1	8.6	50.5	10.4
Planning and Development	120.8	20.5	56.0	14.7	30.0	8.3
TOTAL	26.9	6.7	26.6	6.0	34.5	4.3

Protection was another service that showed a marked difference in expenditure levels between urban and rural municipalities, varying from \$82 per household in the rural south to \$356 in Metro Toronto. This difference was especially marked in percentage terms: protection was about 9 per cent of total spending in rural areas and about 19 per cent in urban areas. Most rural municipalities were policed by the OPP at no direct cost to the municipality and, as a result, the municipalities showed no police expenditure. Rural municipalities also supplied fire services in a different way, often making use of a volunteer fire department. Province-wide, the fire service increase was only 5.6 per cent, and the police increase was 7.4 per cent.



Health and social services spending increased 9.8 per cent in 1978, compared to 9.1 per cent in 1977. Because of this higher growth rate, health and social services slightly increased their share of the total municipal spending dollar. The increases were higher for social services than for health services. General assistance increased as a result of economic conditions and federal tightening up of the unemployment insurance program. Increased spending on homes for the aged and children's aid reflected increased availability of Ontario grants for these functions.

Health and social services showed less variation in expenditure levels than most other services. Expenditures ranged from \$185 per household in the rural south to \$364 in the urban north. Those variations that did appear may be somewhat misleading because many of the services involved were provided by groups of municipalities on a shared basis. This applied to public health units, children's aid societies, homes for the aged and hospitals. The total expenditure was reported by just one municipality, likely by a city in the north and a county or city in the south in non-regional government areas. As a result, some rural expenditure may have been reported as urban, and vice versa. The only safe observation from the data available was that health and social service expenditures in 1978 were higher in the north and in Metro Toronto than in the remainder of the south.

Environment was the third fastest growing function in 1978, increasing by 11.4 per cent. This increase reflected the higher priority given environmental services by the Province and municipalities.

Environment expenditures varied from \$102 per household in the rural south to \$240 in Metro Toronto. This capital intensive function was characterized by wide variations in expenditure levels among similar individual municipalities. In rural areas, the choice was often between no municipal service and a very expensive service, resulting in wide variations even when compared in per household terms. In urban areas, the expenditure level varied from very high when a sewer or water system is first constructed, to very low once the debt is paid off.

Environment expenditure increases of 7 per cent or more per household were recorded in Metro Toronto, the regions and the rural south. Increases were less than 4 per cent elsewhere. This pattern is reflected again at the sub-function level.

Culture and recreation, which has been one of the fastest growing areas of municipal spending since 1975, experienced an 8.7 per cent increase, down from 14.4 per cent in 1977. Probably the increase would have been even lower except for new facilities coming into use as a result of relatively high capital expenditures on culture and recreation in 1977 and 1976.

The variation in culture and recreation expenditures ranged from \$77 per household in the rural south to \$219 in Metro Toronto. Spending in the north and in Metro Toronto was substantially higher than in the rest of the south. As with health and social services expenditures, the distinction between urban and rural expenditures may be of dubious validity because many facilities in one municipality serve neighbouring municipalities.

Increases in culture and recreation were fairly uniform across the province, except for the 10.0 per cent increase on a household basis in the north.

Planning and development, which accounted for around 3 per cent of total municipal expenditures, increased by 7.5 per cent, half the rate of 1977. Part of this decrease in growth was attributable to reduced residential development, as the housing market in general declined. Transfers to own funds to pay for current and future capital spending on residential development declined by 25 per cent. Most other spending on planning and development grew more slowly than in 1977 as major works in official plans drew nearer to completion. This was especially true in the regions, most of which came into being in the 1973 to 1974 period.

Planning and development expenditures varied from \$30 per household in Metro Toronto and southern cities to \$53 per household in northern cities. There was a decrease of 3.2 per cent in per household expenditures in southern cities, and increases went as high as 20.5 per cent in northern cities.

General government expenditures consist of the salaries and expenses of council, general administration, and the finance department. It also includes contributions to reserves and reserve funds for such purposes as working funds, contingencies and sick leave insurance. In 1978, expenditures on this function increased by 17.8 per cent, with the main reason being increased contributions to reserves and reserve funds, up 32.1 per cent.

## Revenues

Municipal revenue fund revenues increased \$443 million to reach \$4.3 billion in 1978, Table 2-12. This represented a growth rate of 11.6 per cent, a slightly lower increase than the 11.8 per cent in 1977. Provincial grants also increased more slowly, at 9.0 per cent, in keeping with the Province's restraint program. However, provincial grants still increased faster than taxation, which increased 7.3 per cent. The low increase in taxation relative to spending growth was made possible by increased reliance on other revenue sources. User fees grew at 14.5 per cent and other revenue\* grew 44.7 per cent. Payments in lieu of taxes grew at a slightly slower rate than those of the previous year but faster than the rate of growth of property taxation.

Municipal Revenue Fund Revenues

Table 2-12

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<i>Taxation</i>				
Property Taxes	1,208	1,640	35.8	6.6
Municipal Charges	103	145	40.8	16.0
Subtotal	1,311	1,785	36.2	7.3
<i>Payment in Lieu of Taxes</i>				
Ontario	45	77	71.1	14.9
Other	58	84	44.8	7.7
Subtotal	103	161	56.3	11.0
<i>Ontario Grants</i>				
Unconditional	347	459	32.3	9.5
Conditional	612	789	28.9	8.7
Subtotal	959	1,248	30.1	9.0
<i>User Fees</i>				
Transit	147	221	50.3	7.8
Water	160	214	33.8	16.3
Homes for the Aged	44	77	75.0	14.9
Other	144	213	47.9	20.3
Subtotal	495	725	46.5	14.5
<i>Other Revenue</i>	180	356	97.8	44.7
<b>TOTAL</b>	<b>3,048</b>	<b>4,275</b>	<b>40.3</b>	<b>11.6</b>

The trends of recent years continued in the composition of current revenues, Table 2-13. The proportion of revenue supplied by Ontario grants dropped 0.7 percentage points from 1977, and was now down 2.3 percentage points from 1975 when the restraint program began. Other revenue increased its share by just over one percentage point. This continued a trend that has been going on since before 1975. Taxation constituted 41.8 per cent in 1978 as compared to 43.5 per cent in 1977.

\*Significantly increased revenues in this category were: rents, concessions and franchises, investment income, contributions from reserves and reserve funds and fines.

Composition of Municipal Revenue Fund Revenues

Table 2-13

	1975 %	1977 %	1978 %
<i>Taxation</i>			
Property Taxes	39.6	40.2	38.4
Municipal Charges	3.4	3.3	3.4
Subtotal	43.0	43.5	41.8
<i>Payments in Lieu of Taxes</i>			
Ontario	1.5	1.8	1.8
Other	1.9	2.0	2.0
Subtotal	3.4	3.8	3.8
<i>Ontario Grants</i>			
Unconditional	11.4	11.0	10.7
Conditional	20.1	18.9	18.5
Subtotal	31.5	29.9	29.2
<i>User Fees</i>			
Transit	4.8	5.4	5.2
Water	5.2	5.0	5.0
Homes for the Aged	1.5	1.7	1.8
Other	4.7	4.6	4.9
Subtotal	16.2	16.7	16.9
<i>Other Revenues</i>	5.9	6.5	8.3
TOTAL	100.0	100.0	100.0

Both user fees and other revenue have increased in times of financial constraint, because municipalities attempt to maximize non-tax revenues in order to keep tax increases low. Generally, they attempted to charge for the use of facilities on a break-even basis, instead of providing them virtually free to the consumer.

Another reason for the increase in user fees was a movement toward direct water billings and sewer surcharges, based on metered water consumption. These are considered user fees, while the alternatives, special charges on the tax bills or subsidies from general revenues, are not.

The other revenue category grew in large part because of increased transfers from reserves and reserve funds and higher investment income from the reserves. This increased the annual contribution to the revenue fund from these sources (up 41 per cent in 1978). Higher interest rates were another factor contributing to increased investment income, and to greater penalties and interest on taxes.

The revenue sources for each municipal category are shown on a household basis in Table 2-14. It is important to remember when reading this table that the taxes per household are total taxes, including those on commercial properties. Therefore, the amounts shown are not the taxes that would be paid by an average residential taxpayer. These taxes would be, in fact, much lower. The level of taxes on residences is discussed in Chapter 6.

The revenue mix for each category of municipalities is dependent on the expenditure mix for that category. Some expenditure functions are easily financed through user fees, some attract large conditional grants and some must be largely financed from taxation and unconditional grants.

User fees made up 21.2 per cent of revenues in Metro Toronto, much higher than any other category, Table 2-15. About half of the user fees in Metro Toronto were generated by transit fares. Transit services were not provided on a comparable scale elsewhere in the province. Outside Metro Toronto, reliance on user fees was fairly consistent, varying from 11.0 per cent of revenues in the rural north to 15.9 per cent in the southern cities. In rural areas, recreation charges tended to account for most of their user fees.

Municipal Revenue Fund Revenues Per Household 1978

Table 2-14

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
<i>Taxation</i>							
Property Charges	754	528	530	480	257	311	523
Municipal Charges	33	63	39	38	39	39	46
Subtotal	787	591	569	518	296	350	570
<i>Payments in Lieu of Taxes</i>							
Ontario	53	16	22	23	7	14	25
Other	28	43	16	21	7	5	27
Subtotal	81	59	38	44	14	19	52
<i>Ontario Grants</i>							
Unconditional	126	152	145	398	99	277	147
Conditional	275	235	185	329	275	280	252
Subtotal	401	387	330	727	374	557	399
<i>User Fees</i>							
Transit	206	35	36	38	0	0	71
Water	91	68	79	68	36	45	68
Homes for the Aged	27	17	19	46	34	32	25
Other	72	78	57	63	56	50	67
Subtotal	396	198	191	215	126	127	231
Other Revenue	199	103	76	70	51	107	114
<b>TOTAL</b>	<b>1,864</b>	<b>1,338</b>	<b>1,204</b>	<b>1,574</b>	<b>861</b>	<b>1,160</b>	<b>1,366</b>

In 1978 the trend to higher user fees discussed above was especially strong in rural areas, Table 2-16. User fees were an alternative method of raising revenues for municipalities, particularly in place of general tax levies.

Ontario grants formed a high proportion of revenues in both the north and the rural south, about 45 per cent. Elsewhere, the proportion was much lower, 21.5 per cent in Metro Toronto and about 28 per cent in the rest of the urban south.

In the rural south, the high proportion of grant revenue was the result of this category's emphasis on roads spending. Roads maintenance was a function heavily supported by conditional grants.

In the north, on the other hand, the higher proportion of grant revenue was the result of the higher rates of unconditional grants available.

Since 1975, Ontario grants had increased more slowly than either taxation or total revenues for a number of years, because of the provincial restraint program begun in 1975. In 1978, however, grants increased by more than taxation, although still not by as much as total operating revenue. In the north, grants have increased much more rapidly than taxation in spite of the restraint program.

Taxation is a residual revenue source; that is, increases in taxation are necessary to the extent that increases in other revenue sources fall short of expenditure increases. The proportion of revenue needs that were met from taxes is higher in the urban south (about 45 per cent) than elsewhere (35 per cent) mainly because of a lower proportion of grant revenues. In Metro Toronto, the proportion of revenues from taxation was slightly lower than elsewhere in the urban south in spite of a lower proportion of grants. This was the impact of a higher proportion of user fees.

Per household taxation increases were moderate in 1978. Northern cities actually managed a 1.9 per cent decrease by combining a 10.7 per cent increase in per household Ontario grants with a 6.7 per cent increase in per household spending.



Payments in lieu of taxes were higher in urban areas, where most of the government properties were located. Other revenues were fairly consistent throughout the province. Taxation and provincial transfers are considered in more detail in later chapters of this report.

Composition of Municipal Revenue Fund Revenues

Table 2-15

Per Household

	Metro Toronto		Regions		Cities South	
	1975	1978	1975	1978	1975	1978
	%	%	%	%	%	%
<i>Taxation</i>						
Property Taxes	42.0	40.5	41.3	39.5	45.7	44.0
Municipal Charges	0.6	1.8	3.0	4.7	2.1	3.2
Subtotal	42.6	42.3	44.3	44.2	47.8	47.2
<i>Payments in Lieu of Taxes</i>						
Ontario	1.9	2.8	1.0	1.2	2.0	1.8
Other	1.4	1.5	3.0	3.2	1.4	1.3
Subtotal	3.3	4.3	4.0	4.4	3.4	3.1
<i>Ontario Grants</i>						
Unconditional	7.1	6.8	12.8	11.4	12.6	12.0
Conditional	15.5	14.8	19.4	17.6	16.5	15.4
Subtotal	22.6	21.5	32.2	29.0	29.1	27.4
<i>User Fees</i>						
Transit	10.1	11.1	3.1	2.6	2.8	3.0
Water	4.7	4.9	5.4	5.1	7.7	6.6
Homes for the Aged	0.7	1.4	1.3	1.3	1.0	1.6
Other	4.0	3.9	4.9	5.8	3.9	4.7
Subtotal	19.5	21.2	14.7	14.8	15.4	15.9
<i>Other Revenue</i>	12.0	10.7	4.8	7.7	4.3	6.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1975	1978	1975	1978	1975	1978
	%	%	%	%	%	%
<i>Taxation</i>						
Property Taxes	34.1	30.5	32.3	29.8	31.6	26.8
Municipal Charges	1.8	2.4	2.9	4.5	1.8	3.4
Subtotal	35.9	32.9	35.2	34.3	33.4	30.2
<i>Payments in Lieu of Taxes</i>						
Ontario	1.5	1.5	0.7	0.8	1.2	1.2
Other	1.3	1.3	0.7	0.8	0.5	0.4
Subtotal	2.8	2.8	1.4	1.6	1.7	1.6
<i>Ontario Grants</i>						
Unconditional	20.5	25.3	11.3	11.5	22.0	23.9
Conditional	22.6	20.9	34.5	31.9	25.5	24.1
Subtotal	43.1	46.2	45.8	43.4	47.5	48.0
<i>User Fees</i>						
Transit	1.7	2.4	0	0	0	0
Water	4.1	4.3	4.7	4.2	4.0	3.9
Homes for the Aged	1.4	2.9	2.6	3.9	0.2	2.8
Other	3.1	4.0	5.0	6.5	4.9	4.3
Subtotal	10.3	13.7	12.3	14.6	9.1	11.0
<i>Other Revenue</i>	7.9	4.4	5.3	5.9	8.3	9.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0



# Municipal Revenue Fund Revenues Per Household

Table 2-16

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77	1978/75 % Change	1978/77	1978/75 % Change	1978/77
<i>Taxation</i>						
Property Taxes	27.8	4.4	18.9	4.3	17.5	3.3
Municipal Charges	312.5	32.0	96.9	8.6	85.7	2.7
Subtotal	31.6	5.4	24.2	4.8	20.6	3.3
<i>Payments in Lieu of Taxes</i>						
Ontario	96.3	26.2	45.5	0	10.0	0
Other	40.3	10.7	34.4	2.4	14.3	-5.9
Subtotal	72.3	20.9	37.2	1.7	11.8	-2.6
<i>Ontario Grants</i>						
Unconditional	26.0	5.0	10.9	3.4	16.9	7.4
Conditional	26.1	10.4	13.0	4.9	13.5	6.3
Subtotal	26.1	8.7	12.2	4.3	15.0	6.8
<i>User Fees</i>						
Transit	45.1	5.1	6.1	9.4	28.6	2.9
Water	37.9	9.6	17.2	9.7	3.9	6.8
Homes for the Aged	170.0	17.4	21.4	6.3	90.0	5.6
Other	28.6	9.1	18.9	5.0	50.0	3.6
Subtotal	44.5	7.6	25.3	16.5	25.7	4.9
<i>Other Revenue</i>	19.2	109.5	98.1	24.1	85.4	22.6
<i>TOTAL</i>	32.8	13.2	24.6	7.4	22.1	5.3
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77	1978/75 % Change	1978/77	1978/75 % Change	1978/77
<i>Taxation</i>						
Property Taxes	7.6	-2.4	16.3	3.2	16.5	4.0
Municipal Charges	58.3	5.6	95.0	11.4	160.0	11.4
Subtotal	10.2	-1.9	22.8	4.2	24.1	4.8
<i>Payments in Lieu of Taxes</i>						
Ontario	15.0	-4.2	40.0	0	40.0	7.7
Other	23.5	4.5	40.0	16.7	25.0	0
Subtotal	18.9	-4.3	40.0	7.7	35.7	5.6
<i>Ontario Grants</i>						
Unconditional	48.5	13.1	28.6	11.2	48.9	14.0
Conditional	11.1	7.9	16.5	2.2	30.2	0.4
Subtotal	28.9	10.7	19.5	4.5	38.9	6.7
<i>User Fees</i>						
Transit	7.3	5.6	0	0	0	0
Water	25.9	9.7	12.5	5.9	32.4	7.1
Homes for the Aged	155.6	12.2	88.9	9.7	1,500.0	23.1
Other	53.7	16.7	64.7	14.3	22.0	25.0
Subtotal	59.3	11.4	50.0	10.5	64.9	17.6
<i>Other Revenue</i>	-32.0	1.4	41.7	6.3	52.8	15.1
<i>TOTAL</i>	20.2	5.4	25.9	5.4	37.4	7.9

# Chapter 3

## Municipal Capital Fund Operations

### Expenditure Overview

Municipalities, their local boards and commissions spent almost \$1.2 billion on capital projects in 1978, Table 3-1. This was a 14.1 per cent increase since 1975 and a 4.0 per cent increase over 1977. Capital expenditures represented 22.9 per cent of total spending in 1978 compared to 23.3 per cent in 1977 and 26.6 per cent in 1975. The lower growth rate in capital expenditures, particularly during this period of high inflation, and its decline as a per cent of total spending suggests that municipalities, in order to limit overall spending, have used the capital fund as their primary area of restraint. The capital fund generally has more upward and downward flexibility than the revenue fund. Expenditure on a new building usually can be deferred more easily for a year or two, whereas payment of salaries and debt charges have to be paid continuously to maintain operations. Therefore, in order to reduce overall expenditure increases, the capital fund is easier to restrain.

Municipal Capital Fund Spending By Function				Table 3-1
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
General Government	46	61	32.6	-3.2
Protection	31	46	48.4	17.9
Transportation				
Roads	284	337	18.7	7.7
Transit	117	85	-27.4	-33.1
Other	24	19	-20.8	46.2
Subtotal	425	441	3.7	-2.6
Environment	312	355	13.8	10.9
Health	11	16	45.5	60.0
Social Services	12	42	250.0	27.3
Culture and Recreation	141	138	-2.1	-6.8
Planning and Development	68	95	39.7	17.3
TOTAL	1,046	1,194	14.1	4.0

The functions with generally the most flexibility for deferment of capital expenditures experienced decreases over the 1975 to 1978 period. Transit declined by 27.4 per cent and culture and recreation by 2.1 per cent. Roads and environment spending increased over the period by 18.7 per cent and 13.8 per cent respectively. These services require annual capital expenditures in almost all municipalities for upgrading and extensions. The five remaining expenditure areas — general government, protection, health, social services, and planning and development — all had substantial increases over the 1975 to 1978 period. These are not areas with relatively large annual capital outlays and, therefore, do not usually affect overall trends.

The differences in spending growth rates over the 1975 to 1978 period caused some shifts in the distribution of capital expenditures, Table 3-2. Transportation and environment retained their dominant positions as the areas on which most capital expenditures were made. Culture and recreation declined as a percentage of total spending while the share occupied by health and social services almost tripled.

Table 3-2 shows the annual distribution of capital spending and provides a four-year average spending distribution. It essentially confirms the substantial portion of capital spending made on roads and environment that was consistent over the period.

It also shows that culture and recreation and planning and development were the third and fourth largest categories of municipal capital spending throughout the period. While functions such as general government, health and social services fluctuated widely, the four main functional categories remained relatively constant.

Composition of Municipal Capital Fund Spending Table 3-2

	1975 %	1977 %	1978 %	4-Year Average %
General Government	4.3	3.4	5.1	4.8
Protection	3.0	3.4	3.9	3.5
Transportation				
Roads	27.1	27.9	28.2	27.5
Transit	11.2	11.4	7.1	10.6
Other	2.3	1.2	1.6	1.9
Subtotal	40.6	40.5	36.9	40.0
Environment	29.8	28.3	29.7	29.4
Health	1.1	0.9	1.4	1.1
Social Services	1.2	3.0	3.5	2.4
Culture and Recreation	13.5	13.2	11.6	12.6
Planning and Development	6.5	7.3	8.0	7.2
TOTAL	100.0	100.0	100.0	100.0

## Expenditure by Municipal Areas

In 1978 all municipalities in the province spent an average of \$379 per household on capital projects, Table 3-3. This represented a slight increase of 0.8 per cent over the \$376 per household reported in 1977.

Total Municipal Capital Fund Spending Per Household Table 3-3

	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Metro Toronto	421	399	- 5.3	- 10.7
Regions	403	427	3.4	8.5
Cities South	285	327	14.7	16.0
Cities North	449	486	8.2	- 8.3
Rural South	260	277	6.5	- 9.8
Rural North	292	486	66.4	50.9
Province	363	379	4.4	0.8

Spending per household on all functions was the highest in cities in northern Ontario at \$486 in 1978. However, this represented a decrease of approximately 8 per cent from the 1977 spending level. On the other hand, cities in southern Ontario reported an average expenditure of \$327 per household, an increase of nearly 16 per cent from the 1977 level, but the absolute amount was still well below that reported for the other urban areas. In addition, this spending per household was below the average for the province as a whole.

The relatively high capital spending in the regions was explained by their high growth characteristics during a period of high and increasing costs. Northern cities and the rural north have not had the same levels of population and household growth overall, but these municipalities have been expanding and improving their services. Their spending increases and levels can be described as "catching-up", especially on roads, sewer and water. As discussed in later chapters of this report, much of this "catch-up" was funded by the senior levels of government.

In 1975, Metro Toronto and its constituent municipalities spent an average of \$421 per household for all services. This was the second highest level of spending

by any of the municipal groups. In 1978, after a decline of 10.7 per cent in capital spending per household, Metro Toronto dropped to the fourth highest level of spending at \$399 per household.

Although the rates of population and household growth have declined in Metro Toronto, extensions and improvements to the major arterial roads were necessary as a follow through on the very rapid growth experienced in the recent past.

1978 Municipal Capital Fund Spending Per Household,							Table 3-4
	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
General Government	10	17	18	18	37	30	20
Protection	17	16	13	25	9	16	15
Transportation	151	156	102	151	120	149	140
Environment	123	148	102	179	34	56	112
Health and Social Services	50	12	2	3	3	13	18
Culture and Recreation	39	41	34	36	44	142	44
Planning and Development	9	27	56	74	30	80	30
TOTAL	399	417	327	486	277	486	379

On a functional basis, capital spending per household on transportation services was higher than all other functions for all groups of municipalities except cities in the north. The highest level of spending on transportation occurred in the regions followed closely by Metro Toronto, cities in the north and the rural north. The lowest level of spending occurred in cities in the south.

Environmental services ranked second overall in capital spending at \$112 per household for the province in 1978. At \$179 per household, the cities in the north spent more than all other municipal areas on environmental services. The regions at \$148 per household ranked second highest on environmental services followed by Metro Toronto at \$123 per household and cities in the south at \$102 per household. The rural south had the lowest level of spending at \$34 per household followed by the rural north at \$56 per household.

The rural municipalities had the lowest level of spending on environment for two reasons. Firstly, in a number of rural municipalities, some environmental services were provided by individuals. This included wells for water and septic systems for sewage disposal. Secondly, in a large number of rural municipalities which have sewer and water systems, the systems were owned by the Ministry of the Environment and the capital expenditures were, therefore, made by that Ministry.

In 1978, the third highest ranked function of expenditure was culture and recreation at \$44 per household for the province. Municipalities in the rural north spent \$142 per household, which was \$98 per household more than the second highest ranked municipal group, namely the rural south at \$44 per household. The spending by all other groups ranged from \$34 per household in cities in the south to \$41 in the regions.

Average household spending on planning and development was \$30 in 1978 for the province. The level of spending ranged from a low of \$9 per household in Metro Toronto to a high of \$80 per household in the rural north. The latter includes towns in northern Ontario. Most of the \$80 per household (\$68 per household) was spent on residential development. For example, some municipalities acted as a developer and serviced residential land for their population expansion.

The other functions, general government, protection and health and social services totalled \$53 per household across the province. The only large expenditure in health and social services, mainly homes for the aged in this case, occurred in Metro Toronto at \$50 per household. All other spending had a relatively narrow range within the municipal categories.



## Changes in Spending in Municipal Areas

Capital spending by municipalities can be very volatile when comparing spending by function from year to year. Nevertheless, over the year from 1977 to 1978, the different municipal areas showed some similar shifts in capital spending, Table 3-5.\*

Change In Municipal Capital Fund Spending Per Household Table 3-5

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
General Government	-37.5	-50.0	-5.6	30.8	5.9	-30.8
Protection	1,600.0	41.7	-5.9	-11.1	85.7	62.5
Transportation	-19.3	-25.6	-1.9	5.4	-11.4	-1.9
Environment	1.7	6.0	13.8	15.6	8.5	17.2
Health & Social Services	1,150.0	42.9	9.1	50.0	-50.0	100.0
Culture and Recreation	-43.5	-7.1	-16.3	-6.9	13.3	41.7
Planning & Development	-60.9	-43.7	50.0	3.8	194.7	86.7
TOTAL	-5.5	-9.1	1.0	7.7	9.5	11.8

	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
General Government	5.9	-67.9	311.1	37.0	30.4	100.0
Protection	-16.7	78.6	-18.2	28.6	77.8	6.7
Transportation	54.1	24.8	14.5	7.7	47.5	55.2
Environment	-16.4	-22.5	-32.0	-15.0	-29.1	-30.2
Health & Social Services	-72.7	-80.0	-62.5	-57.1	18.2	-31.6
Culture and Recreation	-28.0	-12.2	33.3	-38.0	184.0	51.1
Planning & Development	155.2	42.3	-23.1	-9.1	321.1	122.2
TOTAL	6.2	-9.1	-0.4	-7.2	62.3	51.0

General government as a percentage of total capital spending fell in all groups except the rural south. Spending on protection as a percentage of total spending increased for all groups except the regions, the rural south, and northern cities.

Composition of Municipal Capital Fund Spending Per Household Table 3-6

	Metro Toronto		Regions		Cities South	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
General Government	3.8	2.4	4.5	4.1	6.0	5.5
Protection	0.2	4.3	4.4	3.8	2.5	4.0
Transportation	44.4	37.8	39.6	37.4	40.0	31.2
Environment	28.7	30.9	32.1	35.5	33.0	31.2
Health & Social Services	1.0	12.5	2.7	2.9	1.4	0.6
Culture and Recreation	16.4	9.8	12.2	9.8	10.4	10.4
Planning & Development	5.5	2.3	4.5	6.5	6.7	17.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

	Cities North		Rural South		Rural North	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
General Government	3.8	3.7	3.5	13.4	7.9	6.2
Protection	6.7	5.1	4.2	3.2	3.1	3.3
Transportation	21.8	31.1	42.3	43.3	34.6	30.6
Environment	47.7	36.8	19.2	12.3	27.1	11.5
Health & Social Services	2.4	0.6	3.1	1.1	3.8	2.7
Culture and Recreation	11.1	7.4	12.7	15.9	17.1	29.2
Planning & Development	6.5	15.2	15.0	10.8	6.4	16.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

\*Appendix B, Tables B3-1 to B3-10, shows the changes in capital spending per household for each of the main municipal service areas over the period 1975 to 1978 and the changes in 1978 compared to 1977 specifically.



Transportation spending decreased in all urban areas in southern Ontario and in the rural north to account for 36.9 per cent of total spending for all municipalities in 1978. Metro Toronto recorded the most significant decline due to a large decrease in transit expenditures. For cities in the south, the decrease was caused by a fall in roads expenditure. The other municipal categories, namely cities in the north and rural south both experienced an increase in the relative importance of capital spending on transportation. In contrast to the cities in the south, this was due to significant increases in capital expenditures on roads.

Environmental services increased in importance in Metro Toronto and regions and decreased in importance in cities in the south, cities in the north, the rural south and the rural north.

Health and social services are not capital intensive. This was reflected in the low amount that was spent on these services as a per cent of total capital expenditure. In 1978 they were significant only in Metro Toronto.

Recreation services shifted in relative importance in all municipal groups. In the regions, the cities in the north and Metro Toronto, it declined in importance. Only in Metro Toronto was it a significant shift from 16.4 per cent of total capital spending in 1975 to 9.8 per cent in 1978. The rural south and the rural north had increases. In terms of overall capital spending, culture and recreation was significant only in the rural north and the rural south.

Capital expenditures on planning and development varied considerably among municipal groups. In 1978, Metro Toronto had capital expenditures on planning equal to 2.3 per cent of total capital expenditures, Table 3-6. The cities in the south spent 17.1 per cent of their total capital outlays on planning. For Metro Toronto, the regions and cities in the south, the bulk of their planning and development capital spending was for residential development, the same as the rural north mentioned above. In addition to the wide divergence in capital spending on planning as a per cent of total capital expenditures among the municipal groups in 1978, changes in the share of planning as a per cent of total expenditures from 1975 to 1978 for each group were significant. Cities in the south experienced an increase from 6.7 per cent of expenditures in 1975 to 17.1 per cent in 1978. Cities in the north and the rural north exhibited similar trends. Metro Toronto, the regions and the rural south had marginal changes.

The main shifts in capital spending per household over the period saw a decline in the relative amounts of transportation and culture and recreation. Environment, protection, health and social services, general government and planning and development had increases. These trends applied mainly to the regions and Metro Toronto. Their impact was substantial and swayed the provincial averages to a similar trend.

## Financing Overview

In 1978, total capital fund revenues were \$1.1 billion, \$199 million less than that of the preceding year, Table 3-7. This represented a decrease of 13.1 per cent, a marked reduction from the overall increase of 17.1 per cent for the whole 1975-78 period. However, the decrease was a reflection of the large surpluses which occurred in 1977 when total revenues exceeded spending by \$136 million. The large amount of borrowing in 1977 was used to finance spending from previous years which had not been permanently financed.

Transfers from own funds were the only significant increases in 1978. Contributions from the revenue fund increased by 8.2 per cent or \$16 million to \$210 million while transfers from reserves and reserve funds went up 21.1 per cent to \$155 million.

Ontario grants contributed \$301 million towards the financing of capital projects. This was \$17 million or 5 per cent less than municipalities received from the Province in 1977. Transportation services, which made up over 65 per cent of capital

# Municipal Capital Fund Revenues

Table 3-7

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Own Funds				
Revenue Funds	168	210	25.0	8.2
Reserves and Reserve Funds	80	155	93.8	21.1
Subtotal	248	365	47.2	13.4
Ontario Grants				
Transportation	202	200	-1.0	-6.5
Environment	39	48	23.1	2.1
Other	37	53	43.2	-5.4
Subtotal	278	301	8.3	-5.0
Other Revenue	96	154	60.4	6.9
Borrowing	306	267	-12.7	-42.5
TOTAL REVENUES	928	1,087	17.1	-13.5
Total Expenditures	1,046	1,194	14.1	4.0
Unfinanced Capital Outlay	118	109	-7.6	-19.3

grants, showed a 6.5 per cent decrease and reflected the decline in transit expenditures while grants for environmental services increased 2.1 per cent. Long term borrowing, which has been the largest single source of capital revenues for the last 3 years, amounted to \$267 million in 1978, half of the prior year's total.

As a result of the reduction in borrowing and the increased unfinanced portion, the composition of capital revenues changed significantly in 1978, Table 3-8. The share contributed by transfers from own funds increased 8 percentage points from 1977. Although provincial assistance decreased by 5 per cent, its share also increased from 25.4 per cent in 1977 to 27.7 per cent in 1978. Other revenues increased from 10.3 per cent of the total in 1975 to 14.1 per cent in 1978.

# Composition of Capital Fund Revenues

Table 3-8

	1975 %	1977 %	1978 %
Own Fund	26.7	25.8	33.6
Ontario Grants	29.9	25.4	27.7
Other Revenue	10.3	11.6	14.1
Borrowing	33.1	37.2	24.6
TOTAL	100.0	100.0	100.0

# Revenues by Municipal Area

Total capital fund revenue per household for all municipalities in the province was \$346 in 1978, Table 3-9, an increase of 7.8 per cent over 1975 and a decrease of almost 7 per cent from the 1977 level. Cities in the north and municipalities in the rural north were the only groups of municipalities to show growth in total financing from 1975 through 1978. The level of total financing paralleled the total capital spending and the cities in the north and the rural north were the highest.

On a per household basis the use of own funds was highest in the cities in the north and the rural north at \$152 per household in 1978. These two groups also had the highest level of other revenue (\$61 in cities in the north and \$108 in the rural north) and the highest level of provincial assistance (\$119 and \$173 respectively) when measured on a per household basis. Cities in the north borrowed by far the most at \$206 per household while the rural north borrowed only \$30 per household.

1978 Municipal Capital Fund Revenues Per Household

Table 3-9

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Own Funds	93	145	89	152	99	152	116
Ontario Grants	106	90	58	119	101	173	96
Other Revenue	51	52	40	61	34	108	49
Borrowing	77	94	112	206	51	30	85
TOTAL REVENUES	327	381	299	538	284	463	346
Total Expenditures	399	407	312	477	259	474	370
Unfinanced Capital Outlay	73	26	13	- 61	- 25	12	24

Among the municipal areas, the proportion of capital financing provided by the different sources varied significantly, Table 3-10. Own funds as a per cent of total financing in 1978 was highest in the regions at 38.1 per cent followed by the rural south at 34.8 per cent. The areas with the highest level of grant support were the rural north at 37.4 per cent followed by the rural south at 35.2 per cent. The areas where provincial grants were the lowest were cities in the south at 19.4 per cent followed by cities in the north at 22.1 per cent. Other revenue ranged from a low of 12.0 per cent in the rural south, 15.6 per cent in Metro Toronto and a very high level of 23.3 per cent in the rural north. The latter reflected the different circumstances in the north. For example, it was not unusual for a business to make a contribution to major municipal capital projects in the north, especially if the business was the principal employer in the area. Long term borrowing was the largest source of financing in the cities in the south at 37.4 per cent and cities in the north at 38.3 per cent.

Composition of Municipal Capital Fund Revenues Per Household

Table 3-10

	Metro Toronto		Regions		Cities South	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Own Funds	19.1	28.5	28.7	38.1	25.6	29.8
Ontario Grants	41.8	32.4	24.0	23.6	22.8	19.4
Other Revenue	8.0	15.6	10.4	13.6	12.2	13.4
Borrowing	31.1	23.5	36.9	24.7	39.4	37.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Own Funds	21.7	28.3	33.2	34.8	45.4	32.8
Ontario Grants	27.3	22.1	31.9	35.2	27.8	37.4
Other Revenue	18.5	11.3	10.2	12.0	12.1	23.3
Borrowing	32.5	38.3	24.7	18.0	14.7	6.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

The shifts in distribution of sources of financing in 1978 were in large part due to substantially higher levels of borrowing in 1977, Table 3-11.\* In 1977, total borrowing for all municipalities was \$152 per household while in 1978 this had dropped by almost 45 per cent to \$85 per household. These shifts were most prominent in Metro Toronto where borrowing as a percentage of total financing dropped from 46.2 per cent in 1977 to 23.5 per cent in 1978; the regions where the shift went from 35.3 per cent to 24.7 per cent; and the rural north where borrowing fell from 13.9 per cent to 6.5 per cent. As a result of these decreases in the importance of borrowing, other sources of finance had to increase. In Metro Toronto and the regions, own funds and Ontario grants increased in importance while in the rural north Ontario grants filled the deficiency.

\*Changes in sources of financing for each municipal area are shown in Appendix B, Tables B3-11 to B3-16.

The increase in use of own funds in Metro Toronto and the regions was a result of the increased use of reserve funds to finance capital expenditures, including reserves generated by lot levies in the high growth regions.

Though a decline in borrowing caused a major shift in the distribution of sources of financing in 1978, those sources which increased in importance did not necessarily increase in dollars.

Municipal Capital Fund Revenues Per Household

Table 3-11

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Own Funds	50.0	17.7	38.1	7.4	11.3	17.1
Ontario Grants	-22.1	-28.4	2.3	8.4	-18.3	0
Other Revenue	96.2	-19.0	36.8	26.8	5.3	29.0
Borrowing	-23.8	-69.1	-30.4	-33.3	-8.9	-17.6
TOTAL	1.2	-39.3	4.1	-4.8	-4.2	-0.7
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Own Funds	61.7	8.6	26.9	2.1	22.6	27.7
Ontario Grants	0.8	-20.1	34.7	-3.8	127.6	51.8
Other Revenue	-23.7	-24.7	41.7	-10.5	227.3	31.7
Borrowing	46.1	27.2	-12.1	-28.2	-25.0	-41.2
TOTAL	24.2	1.1	20.9	-8.7	69.6	26.5

In Metro Toronto borrowing declined by 69.1 per cent. Though Ontario grants became more important, they nevertheless dropped by 28.4 per cent. Own funds increased in importance due to a drop in borrowing as well as an increase in own funds, 17.7 per cent. The regions, with a decline of 33.3 per cent in borrowing, had increases of 8.4 per cent in grants and 7.4 per cent in own funds. In the rural north, where borrowing declined by 41.2 per cent in 1978, Ontario grants increased by 51.8 per cent.

Municipal Capital Fund Revenues Per Household

Table 3-12

Province	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Own Funds				
Revenue Fund	58	67	15.5	4.7
Reserves and Reserve Funds	28	49	75.0	16.7
Subtotal	86	116	34.9	9.4
Ontario Grants				
Transportation	70	64	-8.6	-8.6
Environment	14	15	7.1	0
Other	13	17	30.8	5.6
Subtotal	97	96	-1.0	-7.7
Other Revenue	33	49	48.5	4.3
Borrowing	105	85	-19.0	-42.6
TOTAL REVENUES	321	346	7.8	-6.8
Total Expenditures	363	381	5.0	1.3
Unfinanced Capital Outlay	42	35	-16.7	38.9

The shifts in funding experienced by Metro Toronto and the regions in total affected the direction of change for the average for the province. Contributions from own funds increased by 9.4 per cent and borrowing fell by almost 43 per cent, Table 3-12. The high level of borrowing in 1977 caused an in-year surplus of unexpended funds of \$46 per household. The drop in borrowing in 1978 caused an in-year deficit of \$35 per household.



## Chapter 4

# School Board Finances

### Expenditures

Total spending by school boards reached \$3.8 billion in 1978, \$312 million more than in 1977, Table 4-1. This represented an 8.7 per cent increase, about 2 percentage points down from the previous year's increase. The lower growth resulted from a 7.8 per cent increase in revenue fund expenditures and a 32.8 per cent increase in capital spending.

School Board Expenditures

Table 4-1

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
<b>REVENUE FUND*</b>				
<i>Elementary</i>				
Salaries and Wages — Teachers	905	1,329	46.9	7.3
— Other	239	346	44.8	12.0
Debt Charges	134	135	0.7	2.9
Other Expenditures	267	354	32.6	10.8
<b>Total</b>	<b>1,545</b>	<b>2,164</b>	<b>40.1</b>	<b>7.9</b>
<i>Secondary</i>				
Salaries and Wages — Teachers	646	978	51.4	7.5
— Other	160	225	40.6	7.7
Debt Charges	72	74	2.8	0
Other Expenditures	178	239	34.3	11.7
<b>Total</b>	<b>1,056</b>	<b>1,516</b>	<b>43.6</b>	<b>7.7</b>
<b>TOTAL REVENUE FUND*</b>	<b>2,601</b>	<b>3,680</b>	<b>41.5</b>	<b>7.8</b>
<b>CAPITAL FUND</b>	<b>209</b>	<b>170</b>	<b>— 18.7</b>	<b>32.8</b>
<b>TOTAL EXPENDITURES</b>	<b>2,810</b>	<b>3,850</b>	<b>37.0</b>	<b>8.7</b>

\*Excludes contributions to the capital fund.

Since 1977, school boards current spending grew at a significantly slower rate than in previous years; when operating expenditures increased at rates of 18 per cent in 1975 and 19 per cent in 1976. Capital spending declined over the 1975 to 1978 period by 18.7 per cent.

The distribution of school board spending showed that salaries and wages in total consumed 74.1 per cent of revenue fund spending by elementary schools and 76.4 per cent of revenue fund expenditure by secondary schools in 1975. From 1975 to 1977, salaries and wages, especially for school teachers, increased as a proportion of total spending. In 1978, debt charges were relatively minor compared to the prior year's charges. Salaries and wages have increased as a proportion of the total mainly due to relatively small increases in debt charges. As a result, debt charges have decreased as a percentage of total expenditure from 8.6 per cent in 1975 to 6.3 per cent in 1978 for elementary schools and from 6.8 per cent in 1975 to 4.9 per cent for secondary schools, Table 4-2.

In elementary schools the number of pupils declined from 1975 to 1978 by 7.1 per cent, Table 4-3. In 1978 the number declined by 2.9 per cent. The number of teachers also declined over the period and dropped by 3.5 per cent in 1978. With the decline in enrolment, spending increases per pupil were 11.1 per cent in 1978 and almost



Composition of School Board Revenue Fund Spending  
By Object

Table 4-2

	1975 %	1977 %	1978 %
<i>Elementary</i>			
Salaries and Wages — Teachers	58.6	61.9	61.5
— Other	15.5	15.4	16.0
Subtotal	74.1	77.3	77.5
Debt Charges	8.6	6.9	6.3
Other Expenditures	17.3	15.8	16.2
Total	100.0	100.0	100.0
<i>Secondary</i>			
Salaries and Wages — Teachers	61.2	64.7	64.5
— Other	15.2	14.8	14.8
Subtotal	76.4	79.5	79.3
Debt Charges	6.8	5.3	4.9
Other Expenditures	16.8	15.2	15.8
Total	100.0	100.0	100.0

51 per cent since 1975. Increases in salaries per teacher were slightly higher than the expenditure per pupil. The main reason for increased spending by school boards was teachers' salaries.

At the secondary school level, enrolment increased by 1.1 per cent from 1975 to 1978 but fell by 0.4 per cent over 1977. Over the same interval the number of secondary teachers declined slightly relative to enrolment. Spending per pupil at the secondary level increased by 42.0 per cent from 1975 to 1978 and by 8.1 per cent since 1977. These increases were lower than the elementary level. Secondary school teachers had salary increases below that of elementary school teachers throughout the period but had a consistently higher level of remuneration and a lower number of students per teacher.

School Board Enrolment and Staffing

Table 4-3

	1975	1978	1978/75 % Change	1978/77 % Change
<i>Elementary</i>				
Students	1,389,478	1,290,337	-7.1	-2.9
Revenue Fund Expenditure/ Student (\$)	1,112	1,675	50.6	11.1
Teachers	58,167	54,775	-5.8	-3.5
Average Salary/Teacher (\$)	15,559	24,263	55.9	11.2
Student/Teacher	23.9	23.6		
<i>Secondary</i>				
Students	605,160	611,668	1.1	-0.4
Revenue Fund Expenditure/ Student (\$)	1,745	2,478	42.0	8.1
Teachers	34,826	35,068	0.7	-1.1
Average Salary/Teacher (\$)	18,549	27,889	50.4	8.7
Student/Teacher	17.4	17.4		

Total expenditures by school boards averaged between \$1,849 per pupil for school boards in counties and \$2,286 per pupil for boards in Metro Toronto in 1978, Table 4-4. School board spending on salaries and wages was higher in both Metro Toronto and northern areas than in the southern municipalities. Boards in the regions spent more on debt charges per pupil than other sector boards partly because the other boards financed more of their capital projects out of current revenues. Other expenditures which included costs of materials and supplies and transportation of students to and from school were highest in the districts, primarily due to greater transportation costs.

School Board Expenditures PerPupil 1978

Table 4-4

	Metro Toronto	Regions \$	Counties \$	Districts \$	Province \$
Revenue Fund					
Salaries and Wages	1,741	1,462	1,389	1,588	1,514
Debt Charges	111	126	98	109	113
Other Expenditures	380	319	335	459	350
Total	2,232	1,908	1,821	2,155	1,976
Capital Fund	123	101	49	91	91
TOTAL*	2,286	1,980	1,849	2,227	2,032
*Net of inter-fund transfers					

Capital fund spending averaged from \$49 per pupil for boards in counties to \$123 per pupil for boards in Metro Toronto in 1978.

Growth in overall expenditures was highest in the district boards, while boards in counties had the lowest, Table 4-5. In the 1975-1978 period total expenditures grew at the same rate in Metro Toronto and the districts, about 50 per cent. In these areas spending on salaries and wages and capital projects increased the fastest. In 1978 compared to 1977, increases in salaries and wages were roughly the same, 10 per cent, in all areas except for district boards where the average increase was 15.4 per cent. Despite about a 9 per cent drop in enrolment in the district boards and Metro Toronto, capital spending went up significantly higher in these areas than in regions and counties. Though total enrolment may drop, the location of students can cause additional capital expenditures.

Increases In School Board Expenditures Per Pupil

Table 4-5

	Metro Toronto		Regions		Counties		Districts		Province	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	%	%	%	%	%	%	%	%	%	%
Revenue Fund										
Salaries and Wages	66.2	10.1	52.1	10.3	47.9	9.5	63.5	15.4	54.8	10.3
Debt Charges	3.7	0	11.5	3.3	10.1	3.2	9.0	0	8.7	2.7
Other	14.8	14.1	21.8	2.2	15.9	-3.5	26.4	12.0	18.2	4.2
Subtotal	50.2	10.1	42.8	8.5	38.2	6.4	50.3	13.7	43.4	8.7
Capital Fund	-10.2	38.2	-7.3	9.8	-35.5	11.4	0	122.0	-12.5	24.7
TOTAL	50.1	10.9	40.9	9.5	36.7	6.8	50.2	16.2	42.3	9.7

Spending on salaries and wages accounted for about 75 per cent of operating expenditures in all areas of the province, Table 4-6. The debt charges share of the total dropped slightly, reflecting less new borrowing between 1975 and 1978.

Composition of School Board Revenue Fund Expenditures

Table 4-6

	Metro Toronto		Regions		Counties		Districts		Province	
	1975	1978	1975	1978	1975	1978	1975	1978	1975	1978
	%	%	%	%	%	%	%	%	%	%
Salaries and Wages	70.5	78.0	71.9	76.7	71.3	76.3	67.7	73.7	71.0	76.6
Debt Charges	7.2	5.0	8.5	6.6	6.8	5.3	7.0	5.0	7.5	5.7
Other Expenditure	22.3	17.0	19.6	16.7	21.9	18.4	25.3	21.3	21.5	17.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

In all areas of the province except Metro Toronto, the decline in student enrolment was higher than the decline in the number of teachers during the 1975 to 1978 period, Table 4-8. This resulted in an increase in the level of service, as shown by the decline in the student-teacher ratio. In Metro Toronto the ratio increased slightly from 21.2 in 1975 to 21.3 in 1978, Table 4-7.

1978 School Board Enrolment and Staffing

Table 4-7

	Metro Toronto	Regions	Counties	Districts
Students	431,394	731,199	573,745	165,667
Teachers	20,216	34,159	27,201	8,267
Students/Teacher	21.3	21.4	21.1	20.0

Changes in School Board Enrolment and Staffing

Table 4-8

	Metro Toronto		Regions		Counties		Districts	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change		% Change		% Change		% Change	
Students	-8.4	-3.5	-2.0	-1.2	-4.4	-2.0	-9.0	-2.8
Teachers	-9.2	-7.1	0.8	0.9	-2.1	-1.3	-2.8	-1.8
Students/Teacher	21.2	21.3	21.7	21.4	21.6	21.1	21.4	20.0

## Revenues

Total school board revenues reached \$3.8 billion, a 7.5 per cent increase over 1977 and almost 35 per cent higher than 1975, Table 4-9. Revenue fund revenues increased by 6.8 per cent in 1978 while capital fund revenues increased by 38.8 per cent.

School Board Revenues

Table 4-9

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Revenue Fund				
Property Taxes	1,040	1,663	59.9	9.0
Payments in Lieu of Taxes	26	38	34.6	5.5
Ontario Grants	1,633	1,954	19.7	4.4
Other Revenue	50	82	64.0	28.1
Subtotal	2,749	3,739	35.9	6.8
Capital Fund				
From Revenue Fund	109	81	-25.7	28.6
Borrowing	89	87	-2.2	50.0
Subtotal	198	168	-15.3	33.8
TOTAL	2,838	3,824	34.7	7.5

Throughout the 1975 to 1978 period, Ontario grants were the predominant source of school board revenue fund revenues. Property taxation was the second largest component. In 1975 provincial grants equalled 59.4 per cent of total revenues, Table 4-10. Since 1975 provincial assistance increased in total by 19.7 per cent while property taxation increased by almost three times as much, 59.9 per cent. As a result, in 1978 property taxation as a per cent of total revenue fund revenues had increased to 44.5 per cent while provincial assistance had declined to 52.3 per cent.

Composition of School Board Revenue Fund Revenues

Table 4-10

	1975 %	1976 %	1977 %	1978 %
Taxation	37.8	41.8	43.7	44.5
Payments in Lieu of Taxes	1.0	1.0	1.0	1.0
Ontario Grants	59.4	55.5	53.5	52.3
Other Revenues	1.8	1.7	1.8	2.3
TOTAL	100.0	100.0	100.0	100.0

On a per pupil basis property taxes in 1975 were \$521 while provincial assistance was \$819 for all school boards, Table 4-11. By 1978, property taxation was \$874 for each pupil while provincial grants to school boards were \$1,026. Property taxes per student increased 11.2 per cent over 1977 and provincial grants increased by 6.6 per cent per pupil. Total revenue fund revenues reached \$1,965 per student, an increase of 9.2 per cent over 1977.

School Board Revenue Fund Revenues Per Pupil					Table 4-11
	1975 \$	1977 \$	1978 \$	1978/75 % Change	1978/77 % Change
Property Taxation	521	785	874	67.6	11.2
Payments in Lieu of Taxes	13	19	20	53.8	5.3
Ontario Grants	819	963	1,026	25.4	6.6
Other Revenue	25	33	45	80.0	36.4
TOTAL	1,378	1,800	1,965	42.6	9.2

### Comparison of School Board Revenues by Area

As expected, the municipalities with the highest levels of school spending also had the highest revenues per pupil, Table 4-12. Revenues from taxation were highest in Metro Toronto, amounting to \$1,433 per pupil and lowest in the districts at \$459 per pupil. However, the Metro Toronto boards had lower increases in property taxation per pupil in 1978 and 1977 than any of the other areas.

1978 School Board Revenues Per Pupil					Table 4-12
	Metro Toronto \$	Regions \$	Counties \$	Districts \$	Province \$
Revenue Fund					
Property Taxes	1,433	812	654	459	874
Ontario Grants	700	1,034	1,121	1,503	1,026
Other Revenue	93	46	37	181	65
Subtotal	2,225	1,893	1,811	2,143	1,965
Capital Fund					
Contributions from Revenue Fund	70	29	21	30	35
Borrowing	56	57	24	42	46
Subtotal	126	86	45	72	81
TOTAL	2,281	1,950	1,835	2,185	2,010

The level of support received by school boards from the Province averaged between \$700 per pupil for boards in Metro Toronto to \$1,503 per pupil for boards in northern areas. Provincial grants to school boards were designed to equalize the per pupil financial resources for all boards, hence, those areas with low tax bases as measured by assessment per pupil had high levels of provincial support. District boards had greater increases in grants per pupil than other school boards in 1978.

Other revenues which include payments in lieu, fees for adult education and sale of school property, were highest in district boards. These sources of revenues increased considerably in Metro Toronto and districts while dropping in regional and county boards in 1978.

The trend in capital spending by different areas was reflected in capital revenues. Contributions from the revenue fund were highest in Metro Toronto at \$70 per pupil while borrowing was highest in regions, at \$57 per pupil. Regions experienced the highest population growth in the province.



The share of school costs borne by the Province dropped considerably in the 1975-1978 period in all geographic areas, Table 4-13. The decrease in the provincial grants share of total revenues was slightly higher in Metro Toronto, 8 per cent compared to 7 per cent in other areas. As a result, the property tax share of revenues went up in all sectors. Metro Toronto had the highest increase, 8 per cent, while for the districts the change was about 3 per cent.

The rates of change in provincial grants per pupil are also explained mainly by the relative change in the property tax bases of the areas, Table 4-14. Metro Toronto, while experiencing student enrolment decline, maintained relatively high assessment growth. Grants are inversely proportional to assessment per pupil.

Composition of School Board Revenue Fund Revenues

Table 4-13

	Metro Toronto		Regions		Counties		Districts		Province	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Property Taxes	56.3	64.4	35.7	42.9	28.9	36.1	18.4	21.4	37.6	44.5
Ontario Grants	39.1	31.5	61.5	54.6	68.7	61.9	76.9	70.1	59.1	52.2
Other Revenues	4.6	4.1	2.8	2.5	2.4	2.0	4.7	8.5	3.3	3.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Changes in School Board Revenue Fund Revenues Per Pupil

Table 4-14

	Metro Toronto		Regions		Counties		Districts		Province	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Revenue Fund										
Property Tax	64.5	9.6	70.2	12.5	73.0	12.6	77.9	15.6	67.8	11.2
Ontario Grants	15.5	2.9	26.1	6.4	24.8	5.1	39.4	9.2	25.3	5.9
Other Revenue	31.0	151.4	24.3	-22.0	19.4	-31.5	174.2	141.3	41.3	20.4
Subtotal	43.7	9.9	41.8	8.0	38.5	6.4	52.7	16.0	41.7	8.6
Capital Fund										
Contribution	-30.0	27.3	-25.6	-32.6	-50.0	-8.6	-28.6	57.9	-36.4	-7.9
Borrowing	124.0	100.0	-10.9	111.1	-40.0	33.3	44.8	100.0	4.5	91.6
Subtotal	0	51.8	-15.5	22.9	-45.1	9.8	0	80.0	-18.2	30.6
TOTAL	45.0	11.2	39.5	9.6	36.1	6.7	52.6	16.9	40.5	9.7

# Chapter 5

## Provincial Assistance

### Overview

Provincial assistance to municipalities, their local boards and school boards totalled \$3.6 billion, an increase of 5.2 per cent over 1977, Table 5-1. This increase was half the rate of growth of assistance in 1977. Of the total assistance, approximately 55 per cent was for school boards while the municipal sector received 45 per cent, Table 5-2.

Provincial Assistance		Table 5-1			
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change	
<i>Municipal</i>					
Payments in Lieu of Taxes	45	77	71.1	16.7	
Unconditional grants	347	459	32.3	9.5	
Conditional grants					
— Operating	616	789	28.1	8.7	
— Capital	268	301	12.3	— 5.0	
Subtotal	1,276	1,626	27.4	6.4	
Per cent of Total Spending	32.4	31.4			
<i>School</i>					
Payments in Lieu of Taxes	26	38	42.3	5.6	
Grants	1,633	1,954	19.7	4.4	
Subtotal	1,659	1,992	20.0	4.4	
Per cent of Total Spending	59.0	52.6			
TOTAL	2,935	3,617	23.2	5.2	
Per cent of Total Spending	43.5	40.4			

Provincial assistance to municipalities grew 6.4 per cent to reach \$1.6 billion; 81 per cent was for operating expenditures, while the remainder was for the financing of capital projects. Provincial assistance financed just over 31 per cent of total municipal expenditures, slightly less than the 32.4 per cent financed in 1977. Provincial assistance supported about 52 per cent of school board spending in 1978.

Composition of Provincial Assistance		Table 5-2			
	1975 %	1976 %	1977 %	1978 %	
<i>Municipal</i>					
Payments in Lieu of Taxes	1.5	1.9	2.0	2.1	
Unconditional Grants	11.8	11.7	12.2	12.7	
Conditional Grants					
— Operating	21.0	20.7	21.1	21.8	
— Capital	9.2	9.2	9.2	8.3	
Subtotal	43.5	43.5	44.5	44.9	
<i>School</i>					
Payments in Lieu of Taxes	0.9	0.9	0.9	1.0	
Grants	55.6	55.6	54.6	54.1	
Subtotal	56.5	56.5	55.5	55.1	
TOTAL	100.0	100.0	100.0	100.0	

## Level of Provincial Assistance by Municipal Area

In 1978, total provincial assistance paid to municipalities averaged \$521 per household. Within the six municipal categories shown in Table 5-3, provincial assistance was highest in northern Ontario with the cities reporting \$869 per household and the rural areas \$743 per household.

Provincial Assistance Per Household 1978

Table 5-3

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
<i>Payments in Lieu of Taxes</i>	53	16	22	23	7	14	25
<i>Unconditional</i>							
Per Capita	27	33	22	23	18	18	27
Police	41	37	26	29	8	9	30
General Support	55	43	44	56	23	35	43
Northern Special Support	0	8	0	163	0	105	12
Resource Equalization	3	27	53	127	51	106	35
Transitional and Special Assistance	0	4	0	0	0	3	1
Other	0	0	0	0	0	1	0
Subtotal	126	152	145	398	99	277	148
<i>Conditional — Operating</i>							
General Government	0	1	0	0	1	0	1
Protection	9	11	13	15	14	1	11
Transportation	71	78	52	73	133	104	85
Environment	2	2	0	1	1	3	2
Health and Social Services	184	135	111	229	113	150	143
Culture and Recreation	9	7	7	9	11	15	9
Planning and Development	0	1	2	2	2	6	2
Subtotal	275	235	185	329	275	279	253
<i>Conditional — Capital</i>							
General Government	0	0	0	0	0	1	0
Protection	0	0	0	0	0	0	0
Transportation	80	63	41	50	58	80	64
Environment	24	14	6	55	7	15	15
Health and Social Services	0	1	0	1	0	3	1
Recreation	1	9	8	6	27	66	12
Planning and Development	1	3	3	7	9	7	5
Subtotal	106	90	58	119	101	172	96
<b>TOTAL</b>	<b>560</b>	<b>493</b>	<b>410</b>	<b>869</b>	<b>482</b>	<b>743</b>	<b>521</b>

Metro Toronto experienced only a slight increase of 0.2 per cent in total assistance in 1978 due to a 28.4 per cent drop in capital grants, Table 5-4. The completion of Metro Toronto's transit projects in prior years accounted for this decrease. For the other areas, the rate of increase ranged from 2.6 per cent for the rural south to 15.5 per cent for the rural north. The increase in the rural north was caused by a substantial 58.7 per cent growth in capital grants, mainly for roads and recreation projects. Cities in the south had the lowest per household average of \$410 in 1978\*.

Except for northern Ontario, operating grants were the major source of provincial assistance ranging from 45.1 per cent of total grants in cities in the south to 56.9 per cent in the rural south, Table 5-5. For cities in the north, operating grants made up 37.9 per cent of total assistance with unconditional grants being the predominant source of provincial assistance at 45.8 per cent. In the rural north, unconditional grants, as a proportion of the total, were slightly less important than conditional grants in 1978. Generally, these two northern areas received a greater share of assistance in unconditional grants because

\*The amounts and changes for individual grants are shown in Appendix B, Tables B5-1 to B5-21. A summary of the bases on which grants are paid is provided annually in a publication produced by Subsidies Branch, Local Government Division, Ministry of Intergovernmental Affairs.

Provincial Assistance Per Household

Table 5-4

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Payments in Lieu of Taxes	96.3	26.2	45.5	0	10.0	0
Unconditional Grants	26.0	5.0	10.9	3.4	16.9	7.4
Conditional Grants—Operating	26.1	10.4	13.0	4.9	13.5	6.3
Conditional Grants—Capital	−21.5	−28.4	13.9	8.4	1.8	3.6
TOTAL	16.7	0.2	13.3	4.9	12.6	5.9
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Payments in Lieu of Taxes	15.0	−4.2	60.0	0	40.0	7.7
Unconditional Grants	48.5	13.1	28.6	11.2	48.9	14.0
Conditional Grants—Operating	11.1	7.9	16.5	2.2	29.8	0
Conditional Grants—Capital	2.6	−20.1	40.3	−3.8	137.0	58.7
TOTAL	24.1	4.7	23.6	2.6	53.7	15.5

Composition of Provincial Assistance Per Household

Table 5-5

	Metro Toronto		Regions		Cities South	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Payments in Lieu of Taxes	5.6	9.5	2.5	3.2	5.5	5.4
Unconditional Grants	20.8	22.5	31.5	30.8	34.0	35.4
Conditional Grants—Operating	45.5	49.1	47.8	47.7	44.8	45.1
Conditional Grants—Capital	28.1	18.9	18.2	18.3	15.7	14.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Payments in Lieu of Taxes	2.8	2.6	1.3	1.5	2.1	1.9
Unconditional Grants	38.3	45.8	19.7	20.7	38.4	37.3
Conditional Grants—Operating	42.3	37.9	60.5	56.9	44.4	37.5
Conditional Grants—Capital	16.6	13.7	18.5	20.9	15.1	23.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

of the northern special support grant which paid a grant equivalent to 18 per cent of the previous year's net general dollar levy.\*

Payments in Lieu of Taxes

Payments in lieu of taxes accounted for only 5 per cent of provincial assistance to municipalities. In 1978, payments from the Province and its enterprises increased by 16.7 per cent, more than double the rate of operating grants, to total \$77 million.

Payments in Lieu of Taxes by Municipal Area

Ontario payments in lieu of taxes paid to municipalities averaged \$25 per household, Table 5-6. Metro Toronto received the highest amount at \$53 per household while the rural south, with \$7 per household, was the lowest. The wide variance in these figures was due to a significant increase, 80 per cent, in payments from Ontario Hydro, of which Metro Toronto received over 70 per cent of the total.

\*Net general dollar levy for support grants is a municipality's tax requirement. In the case of the Resource Equalization Grant, both lower tier and upper tier taxes are taken into account.



# Ontario Payments in Lieu of Taxes Per Household

Table 5-6

	1975 \$	1977 \$	1978 \$	1978/75 % Change	1978/77 % Change
Metro Toronto	27	42	53	96.3	26.2
Regions	11	16	16	45.5	0
Cities South	20	22	22	10.0	0
Cities North	20	24	23	15.0	-4.2
Rural South	5	7	7	40.0	0
Rural North	10	13	14	40.0	7.7
Province	15	22	25	66.7	13.6

## Unconditional Grants

Unconditional grants, which comprised over a third of operating grants, grew faster than conditional or specific purpose grants in 1978 by 9.5 per cent because of a continuation of the provincial policy to place more emphasis on unconditional grants. In the 1975-78 period, unconditional grants grew twice as fast as conditional grants.

In 1978 the resource equalization grants, which were paid to municipalities with low assessment bases, and the support grants which were paid to all municipalities, were the only unconditional grants with substantial increases, Table 5-7. The resource equalization, general support and northern special grants, which were based on the previous year's tax levy, went up by 18.1 per cent compared with 14.0 per cent in 1977. This large increase was partially attributed to the fact that direct water billings on ratepayers became part of the tax levy base in 1977 and, therefore, affected the level of these grants significantly. Also, property taxes in 1977 had increased by a substantial amount, 13.1 per cent. Both factors increased the net general dollar levy upon which the grants were calculated. The per capita grants grew by 1.3 per cent in 1978. This was in keeping with the marginal increase in population. The transitional and special assistance grants declined 33 per cent. This was not unusual since these grants were paid to restructured municipalities and were phased down by 20 per cent each year over a five year period or lump-sum payments were made. The eligibility of reorganized municipalities ended after 5 years. Most of these grants were in their final year of payment in 1978.

## Unconditional Grants

Table 5-7

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Per Capita General	66	76	15.2	1.3
Per Capita Police	70	93	32.9	2.2
Per Capita Density	5	5	0	-16.7
Transitional and Special Assistance	17	4	-76.5	-33.3
Resource Equalization	84	110	31.0	12.2
General Support	89	132	48.3	23.2
Northern Special Support	16	32	100.0	18.5
OHAP and Other	0	1	0	-100.0
TOTAL	347	459	32.3	9.5

## Unconditional Grants by Municipal Area

Across the province, unconditional grants averaged \$148 per household, an 8 per cent increase over 1977. These grants ranged from \$398 per household for cities in the north to \$99 for municipalities in the rural south.\* Generally, municipalities in the north had the highest unconditional grants mainly because of the levy based grants and in particular the northern support grants which applied only to northern Ontario.

\*For details on unconditional grants for each of the municipal areas, see Appendix B, Tables B5-1 to B5-9.

The general support grant, which was received by all municipalities, ranged from \$56 per household for cities in the north to \$24 per household for areas in the rural south. This grant was 6 per cent of the 1977 net general dollar levy and, therefore, those areas which had the highest increases in tax levies received the greatest increases in that grant. The resource equalization grant, which was given only to those lower tier municipalities with relatively low resource bases,\* averaged between \$127 per household for northern cities to \$3 per household for Metro Toronto. Again, northern municipalities benefitted from this program the most, because of their relatively weaker assessment bases.

Provincial Unconditional Grants Per Household

Table 5-8

Province	1978/75 % Change	1978/77 % Change	Composition	
			1977 %	1978 %
Per Capita General	8.7	− 3.8	19.0	16.9
Per Capita Police	25.0	0	21.9	20.3
Per Capita Density	0	0	1.5	1.4
Transitional and Special Assistance	− 83.3	− 50.0	1.5	0.7
Resource Equalization	20.7	12.9	22.6	23.6
General Support	38.7	19.4	26.3	29.1
Northern Special Support	120.0	22.2	6.6	7.4
OHAP and Other	0	− 100.0	0.6	0
TOTAL	23.3	8.0	100.0	100.0

Regions and municipalities in the rural north were the only municipal areas that reported transitional and special assistance grants in 1978. In the regions, these grants dropped by 20 per cent to \$4 per household while there was no change in the rural north.

The regional municipalities had higher per capita grants than other urban areas mainly because of the density grant. The per capita grants ranged from \$33 per household in regions to \$18 in rural municipalities. The police per capita grant was highest in Metro, \$41 per household, and lowest in rural municipalities, \$8 per household. Generally, the per capita grants were highest in the urban areas and lowest in the rural areas. This occurred because of the structure of these grants, which was more advantageous to highly populated municipalities, as well as the fact that police grants were given only to municipalities where regional or local police forces existed. Also, regions and Metro Toronto received higher per capita grants for police services.

Although the per capita grants, on a per household basis, showed decreases ranging from 1.4 per cent to 8.8 per cent for all areas, in actual dollars the grants dropped by only \$1 per household for all sectors except northern cities where grants went down by \$5 per household. These decreases occurred as the number of households increased at a faster rate than population and the grants per capita remained constant.

Conditional Grants

Operating Grants

Conditional operating grants amounted to \$789 million, the bulk of which was for transportation and social services, Table 5-9.

In 1978, transportation grants reached \$264 million, 79 per cent of which was for roadway costs. Road grants increased marginally 0.5 per cent to \$207 million, well below the 18 per cent growth in 1977. This reflected a much lower increase in spending on road maintenance in 1978. Grants for the operating deficits of public transit increased by 11.8 per cent to \$57 million.

\*A municipality with a low resource base had a per capita equalized assessment that was below \$10,650 in 1978.

# Provincial Operating Grants

Table 5-9

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
General Government	1	2	100.0	0
Protection	37	35	-8.1	25.0
Transportation				
Roadways	166	207	24.7	0.5
Transit	49	57	16.3	11.8
Subtotal	215	264	22.8	2.7
Environment	2	5	150.0	0
Health and Social Services	336	449	33.3	12.3
Culture and Recreation	19	27	42.1	3.8
Planning and Development	6	5	-16.7	-50.0
TOTAL	616	789	27.4	8.7

Assistance for health and social services amounted to \$449 million, an increase of 12.3 per cent. The major portion of social services grants was for general assistance which increased by 16 per cent to \$174 million. This growth rate was a result of the 15 per cent increase in general assistance expenditures. The grant was tied to the number of recipients, and, as this number increased, expenditures and grants rose proportionately. General assistance was provided to meet about 80 per cent of welfare expenditures. However, in 1978 general assistance averaged 70 per cent of current expenditures. This did not reflect the true percentage of expenditures that the Province provided in welfare grants since it also included grants for special assistance and administrative costs for which the provincial grants covered 50 per cent of costs. Children's aid societies and day nurseries received \$121 million, 12 per cent higher than the 1977 amount. Overall, the increases in grants for social services paralleled higher levels of spending on these services.

Grants for protection increased by 25.0 per cent because of a substantial increase in grants to conservation authorities. These bodies received \$34 million in grants compared to \$27 million in 1977. The increase in grants reflected increased support by the Province, from 50 per cent to 55 per cent of expenditures, and a higher level of spending by conservation authorities. In 1978 operating grants to conservation authorities financed about 63 per cent of current spending.

Culture and recreation grants increased by 3.8 per cent to \$27 million in 1978. Of the total, \$18 million went to aid library operating costs while \$9 million was for recreation and cultural activities. Although library expenditures went up by almost 9 per cent library grants did not change. These grants were based on the population of the municipalities and the area which the library board covered, rather than just expenditures.

## Operating Grants by Municipal Area

As with unconditional grants, operating grants per household were highest in the cities in the north at \$329 per household in 1978\*. However, Metro Toronto had the largest growth rate, 10.4 per cent in 1978, Table 5-10. All areas except the rural north showed an overall increase in operating grants. In the rural north, grants per household fell by 1.1 per cent to a level of \$279. This was caused primarily by an 11.1 per cent decrease in operating grants for transportation (roads).

In absolute terms, the range for operating grants was from \$185 per household for cities in the south to \$329 per household for cities in the north. Again for those areas, and in line with the provincial average, a high proportion of all operating grants went to support health and social services. As a percentage of total operating grants paid

\*For details on operating grants for each municipal area for the period 1975 to 1978, see Appendix B, Tables B5-10 to B5-17

Change in Provincial Operating Grants

Table 5-10

	Metro Toronto		Regions		Cities South	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change	% Change	% Change	% Change	% Change	% Change
General Government	0	0	0	0	0	0
Protection	50.0	80.0	-15.4	10.0	-7.1	18.2
Transportation	12.7	6.0	9.9	1.3	33.3	4.0
Environment	100.0	100.0	100.0	0	0	-100.0
Health and Social Services	32.4	10.2	19.5	10.7	6.7	6.7
Culture and Recreation	28.6	0	16.7	-12.5	16.7	0
Planning and Development	-100.0	0	-66.7	-75.0	100.0	100.0
TOTAL	26.1	10.4	13.0	4.9	13.5	6.3
	Cities North		Rural South		Rural North	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change	% Change	% Change	% Change	% Change	% Change
General Government	0	0	0	0	0	0
Protection	-31.8	11.8	-12.5	16.7	0	0
Transportation	23.7	9.0	9.0	-3.6	14.3	-11.1
Environment	100.0	0	100.0	0	0	0
Health and Social Services	10.6	9.0	28.4	7.6	44.2	12.8
Culture and Recreation	50.0	0	57.1	10.0	25.0	0
Planning and Development	0	100.0	0	0	20.0	-45.6
TOTAL	11.1	7.9	16.5	2.2	30.2	0.4

in 1978, the range for health and social services was from 41.1 per cent in the rural south to 69.6 per cent for cities in the north, Table 5-11.

Transportation was the other function that took up a large share of operating grants. The rural south received the most on a per household basis at \$133 while cities in the south received \$52 per household. In the rural south, grants for transportation comprised 48.3 per cent of all operating grants. Generally, in the composition of operating grants, the proportion for transportation fell marginally, while health and social services increased.

Composition of Provincial Operating Grants Per Household

Table 5-11

	Metro Toronto		Regions		Cities South	
	1975	1978	1975	1978	1975	1978
	%	%	%	%	%	%
General Government	0	0	0.5	0.4	0	0
Protection	2.7	3.3	6.3	4.7	8.6	7.0
Transportation	28.9	25.8	34.1	33.2	23.9	28.1
Environment	0.5	0.7	0.5	0.9	0	0
Health and Social Services	63.8	66.9	54.3	57.4	63.8	60.0
Culture and Recreation	3.2	3.3	2.9	3.0	3.7	3.8
Planning and Development	0	0	1.4	0.4	0	1.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1975	1978	1975	1978	1975	1978
	%	%	%	%	%	%
General Government	0	0	0.4	0.4	0	0
Protection	7.4	4.6	6.8	5.1	0	0.4
Transportation	20.0	22.2	51.7	48.3	42.3	37.3
Environment	0	0.3	0	0.4	1.4	1.1
Health and Social Services	69.9	69.6	37.3	41.1	48.4	53.7
Culture and Recreation	2.0	2.7	3.0	4.0	5.6	5.4
Planning and Development	0.7	0.6	0.8	0.7	2.3	2.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0



## Capital Grants

Capital grants to municipalities declined 5.0 per cent, in line with reduced capital spending. In 1978, \$301 million in provincial grants financed 25 per cent of capital projects.

As in the last three years, capital grants were mainly for transportation services, accounting for about 66 per cent of the total, Table 5-12. About \$140 million in roadway grants financed 42 per cent of construction and related capital costs in 1978. The sharp drop in transit grants, 34.1 per cent, reflected the decline in transit capital expenditures of 33.1 per cent. Environment and recreation accounted for the bulk of the remaining grants.

Capital Fund Grants

Table 5-12

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
General Government	5	1	-80.0	0
Protection	1	1	0	0
Transportation				
Roadways	114	140	22.8	13.8
Transit	78	60	-23.1	-34.1
Subtotal	192	200	4.2	-6.5
Environment	39	48	23.1	2.1
Health and Social Services	6	1	-83.3	-66.7
Culture and Recreation	19	37	94.7	-5.1
Planning and Development	6	13	116.7	8.3
TOTAL	268	301	12.3	-5.0

## Capital Grants by Municipal Area\*

The level of assistance for transportation services ranged from \$41 per household for southern cities, to \$80 per household for both Metro Toronto—despite a significant decrease of 33.9 per cent in 1978—and the rural north. Transit services received the highest level of provincial assistance as a proportion of total capital spending on any service; transit grants at \$19 per household in Metro Toronto were included in the total grant of \$80 per household mentioned above. Grants as a percentage of spending for this service were 70.6 per cent.

Culture and recreation grants averaged \$12 per household and ranged from \$66 per household for the rural north to \$1 for Metro Toronto. Grants were higher for the rural areas compared to urban areas; these northern rural areas had isolated municipalities which tended to take on the responsibilities of providing more services because there are fewer private facilities or large neighbouring municipalities.

Capital assistance for sewer projects accounted for the majority of grants paid by the Province for environmental services. Overall, capital grants for sewers were an average of \$10 per household or an increase of 11 per cent when compared to 1977. These grants were between \$6 per household in regions to a high of \$37 per household in the northern cities. Grants, when taken as a percentage of expenditures for environmental services, decreased slightly from 14.6 per cent in 1977 to 13.3 per cent in 1978.

\*For details on capital grants by municipal area, see Appendix B, Tables B5-18 to B5-22.

# Chapter 6

## Property Taxation

### Overview

Total property taxation raised by municipalities and school boards reached \$3.4 billion in 1978. The largest proportion, \$1.8 billion or 51.8 per cent, was levied for general municipal purposes while \$1.7 billion was raised to support school boards.

The 8.1 per cent increase in total taxation in 1978 was moderate in comparison to the 15.3 per cent growth reported in 1977. This was indicative of local government's attempt to reduce growth in spending and taxation in conjunction with the Province's restraint program. The growth in municipal purpose taxation was less than the 9.0 per cent increase required by school boards. This reflected the trend in the past few years of relatively higher growth in the education levy. As shown in Table 6-1 and Table 6-2 the school board share, which took up 44.2 per cent of total taxation in 1975, grew by 59.6 per cent to command almost half of each dollar collected in 1978.

Total Property Taxation				Table 6-1
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Municipal	1,311	1,785	36.2	7.3
School	1,040	1,663	59.9	9.0
Total	2,351	3,448	46.7	8.1

Composition of Total Property Taxation				Table 6-2
	1975 %	1976 %	1977 %	1978 %
Municipal	55.8	53.1	52.1	51.8
School	44.2	46.9	47.9	48.2
Total	100.0	100.0	100.0	100.0

Apart from Metro Toronto, school taxation grew faster than municipal taxation in each of the municipal areas. The rural north had the largest percentage increase in school taxation at 13.8 per cent and school taxes in 1978 accounted for 45.8 per cent of all taxes levied. In the rural south, the school portion was 52.9 per cent of total taxation and this was the only group of municipalities in which the school share was greater than the municipal share. The regions had an 11.2 per cent growth in school taxes compared to the low of 5.8 per cent for Metro Toronto.

### Mill Rate and Assessment Analysis

Excluding municipal charges, combined municipal and school property taxation levied by mill rates grew by 7.6 per cent in 1978. This increase was caused by a 3.4 per cent growth in assessment and a 4.1 per cent increase in mill rates. The residential tax component increased 8.3 per cent, slightly higher than the total. For this category, assessment growth contributed 3.9 per cent while the average residential taxpayer experienced a 4.2 per cent increase in the mill rate.

# Property Taxation

Table 6-3

	Metro Toronto				Regions			
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Municipal	446	625	40.1	7.4	477	663	39.0	8.0
School	410	618	50.7	5.8	356	594	66.8	11.2
Total	856	1,243	42.5	6.7	833	1,257	50.9	9.5

	Cities South				Cities North			
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change	1975 \$ million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Municipal	174	226	29.9	6.1	44	51	15.9	2.0
School	105	172	63.8	8.9	27	43	59.3	10.3
Total	279	398	42.7	7.5	71	94	32.4	4.4

	Rural South				Rural North			
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change	1975 \$ million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Municipal	140	181	29.3	7.7	30	39	30.0	8.3
School	122	203	66.4	10.9	20	33	65.0	13.8
Total	262	384	46.7	9.4	50	72	44.0	10.6

# Change in Mill Rates and Assessment

Table 6-4

	1978/75 % Change	1978/77 % Change
Total Property Tax Increase	42.8	7.6
Due to Assessment Growth	11.3	3.4
Due to Mill Rate Increase	28.3	4.1
Total Residential Tax Increase	45.5	8.3
Due to Assessment Growth	11.4	3.9
Due to Mill Rate Increase	30.6	4.2

In 1978, three groups of municipalities—the regions, the cities in the south and the rural north—reported total property tax increases greater than the provincial average of 7.6 per cent. The rural north experienced the largest growth, 9.7 per cent, while the cities in the north had the lowest at 4.7 per cent.

The increase due to assessment growth for both residential and total taxation was greater than mill rate increases in the regions and the cities in the north. In the regions, the overall 9.2 per cent increase in property taxes was brought about by a 4.6 per cent growth in assessment and a 4.4 per cent mill rate increase. Cities in the north reported the lowest total tax increase at 4.7 per cent, of which 3.5 per cent was due to new assessment. Metro Toronto experienced the lowest percentage increase due to assessment growth for both residential and total property taxes and also had the smallest residential tax increase of 6.2 per cent in 1978. In the rural north, residential mill rates were raised only 2.7 per cent with the largest share of the increase in the residential tax burden being taken up by new assessment.

# Property Taxes by Tax Class

Properties taxed at the residential rate continued to be the major source of tax revenue in 1978 accounting for approximately \$2 billion or 57.9 per cent of total taxes raised. For the province as a whole, residential taxation including municipal charges grew 8.8 per cent while revenue from all other properties rose by 7.1 per cent to \$1.5 billion.

Change in Mill Rates and Assessment

Table 6-5

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Total Property Tax Increase	40.8	5.9	46.1	9.2	41.3	8.3
Due to Assessment Growth	8.0	2.1	14.2	4.6	9.8	2.8
Due to Mill Rate Increase	30.4	3.8	27.9	4.4	28.7	5.4
Total Residential Tax Increase	39.8	6.2	50.3	10.5	46.4	8.3
Due to Assessment Growth	6.1	2.4	15.1	5.2	10.6	3.4
Due to Mill Rate Increase	31.8	3.7	30.6	5.0	32.4	4.7
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Total Property Tax Increase	32.4	4.7	43.4	7.4	41.7	9.7
Due to Assessment Growth	11.2	3.5	12.8	3.5	13.4	4.7
Due to Mill Rate Increase	19.1	1.2	27.1	3.8	25.0	4.8
Total Residential Tax Increase	39.4	7.0	46.9	7.4	45.8	9.4
Due to Assessment Growth	7.2	4.1	12.8	3.9	13.0	4.6
Due to Mill Rate Increase	30.0	2.8	30.2	3.4	29.0	2.7

Property Taxes by Tax Class

Table 6-6

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Properties Taxed at Residential Rate				
Taxes	1,321	1,926	45.8	8.6
Municipal Charges*	35	69	97.1	16.9
Subtotal	1,356	1,995	47.1	8.8
Properties Taxed at Commercial Rate				
Realty Taxes	631	921	46.0	6.6
Business Taxes	294	426	44.9	5.2
Municipal Charges*	70	106	51.4	20.5
Subtotal	995	1,453	46.0	7.1
TOTAL	2,351	3,448	46.6	8.1

\*Special charges for municipal purposes are taxes paid to the municipality on any basis other than by mill rate against assessment. In a strict sense the charges which relate to a particular service are "earmarked" or specifically allocated revenues. These include business improvement area charges, sewer and water charges on flat rates, sewer and water connection charges, fire service charges, municipal drainage charges and garbage collection charges.

In addition, where the product of multiplying the mill rate times the assessment gives a property tax of less than \$6.00, the difference between the tax and the \$6.00 is added as a special charge to the taxpayer to ensure a minimum tax to cover the cost of administering the tax bill and collection. This charge is referred to as a minimum charge for reporting purposes.

The composition of property taxation by type of property did not change significantly from 1977 with the degree of variation ranging from 0.1 per cent to 0.5 per cent. Of note is the increased share contributed by municipal charges and the decreasing reliance on commercial realty and business taxes.

There were some variations in the growth rates in total property taxes reported by the different municipal areas with a range from 4.4 per cent for cities in the north to 10.0 per cent for the rural north. Metro Toronto and the regions, the two areas with the largest assessment bases, had increases of 6.6 per cent and 9.5 per cent respectively.

As with total property tax increases, there was little consistency in the rate of growth for either properties taxed at the residential rate or those taxed at the commercial rate.



Composition of Property Taxes by Tax Class

Table 6-7

Province	1975 %	1976 %	1977 %	1978 %
Properties Taxed at Residential Rate				
Taxes	56.2	55.8	55.5	55.9
Municipal Charges	1.5	1.8	1.9	2.0
Subtotal	57.7	57.6	57.4	57.9
Properties Taxed at Commercial Rate				
Realty Taxes	26.8	27.4	27.1	26.7
Business Taxes	12.5	12.2	12.7	12.4
Municipal Charges	3.0	2.8	2.8	3.0
Subtotal	42.3	42.4	42.6	42.1
TOTAL	100.0	100.0	100.0	100.0

1978 Property Taxes by Tax Class (\$ Million)

Table 6-8

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Properties Taxed at Residential Rate						
Taxes	604	756	221	46	264	35
Municipal Charges	8	33	7	2	16	3
Subtotal	612	789	228	48	280	38
Properties Taxed at Commercial Rate						
Realty Taxes	408	288	107	31	64	23
Business Taxes	195	129	52	13	28	9
Municipal Charges	28	51	11	2	12	2
Subtotal	631	468	170	46	104	34
TOTAL	1,243	1,257	398	94	384	72

The only apparent trend was that each area experienced some degree of growth in the contribution from these two sources and that, except for the rural south, the increase in residential taxation, including municipal charges, was greater than that for commercial properties.

An analysis of the composition of property taxes by class for each of the municipal areas examined here showed that the residential/commercial ratio remained fairly stable between 1977 and 1978. The most notable difference was in Metro Toronto where properties taxed at the residential rate decreased their share of the total by 1.6 per cent. All other areas experienced changes of less than 1.1 per cent. Generally, properties taxed at the residential rate contributed at least 50 per cent of total taxes levied in 1978. Metro Toronto was at the margin at 49.3 per cent while the rural south received 72.9 per cent of its total tax revenues from this source. In effect, this type of breakdown tended to reflect the distinctive characteristics of each sector. That is some were predominantly urban, having a large amount of commercial assessment while others such as the rural south had a large portion of residential and farm assessment.

## Property Taxation by Type of Property

An analysis of property taxation within each tax class provides a more detailed breakdown of the contribution to tax revenues by different types of property. Table 6-11 shows that taxes levied by mill rates for residences and municipal charges included on the tax bill contributed approximately \$1.8 billion or 52.8 per cent of total property tax revenues in 1978. This was a 9.4 per cent increase over 1977. All other properties

Changes in Property Taxes by Tax Class

Table 6-9

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Properties Taxed at Residential Rate						
Taxes	39.5	6.2	50.3	10.5	46.4	8.3
Municipal Charges	100.0	60.0	77.8	10.3	75.0	0
Subtotal	40.0	6.6	51.2	10.5	47.1	8.1
Properties Taxed at Commercial Rate						
Realty Taxes	51.1	6.5	44.5	7.4	39.0	7.0
Business Taxes	43.4	4.3	49.4	6.6	44.4	6.1
Municipal Charges	55.6	27.3	51.5	13.6	37.5	9.0
Subtotal	48.8	6.6	46.6	7.8	40.5	6.3
TOTAL	44.4	6.6	49.5	9.5	44.2	7.3

	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Properties Taxed at Residential Rate						
Taxes	39.4	7.0	48.3	9.1	45.8	9.4
Municipal Charges	100.0	0	166.7	14.3	200.0	50.0
Subtotal	41.2	6.7	52.2	9.4	52.0	11.8
Properties Taxed at Commercial Rate						
Realty Taxes	34.8	3.3	42.2	12.3	43.8	9.5
Business Taxes	30.0	0	55.6	12.0	42.9	0
Municipal Charges	100.0	0	33.3	9.1	100.0	0
Subtotal	35.3	2.2	44.4	11.8	41.7	6.3
TOTAL	38.2	4.4	50.0	10.0	46.9	9.1

including farmland and vacant land and buildings taxed at the residential rate contributed \$176 million. The fastest growth since 1975, 144.4 per cent, was in the relatively small group of other properties that included golf courses, clubs, associations and conservation authorities. The growth in taxes on vacant land and buildings slowed somewhat in 1978 to 4.2 per cent compared to 43.7 per cent over the longer period, 1975 to 1978.

In the commercial sector, the largest sources of revenue were industrial properties and retail and other commercial properties at 13.4 per cent and 12.9 per cent respectively, Table 6-12. Both these types of property had growth rates of 7.1 per cent, which was greater than the total growth in property taxation for other properties taxed at the commercial rate. Two types of properties showed a decrease in taxation, namely financial and wholesale and parking lots.

In comparing the municipal areas, in 1978 the contribution to total taxation by realty taxes on residences and municipal charges ranged from 44.5 per cent in Metro Toronto to 64.6 per cent in the rural south, Table 6-14. Farmland was a major source of revenue only in the rural south at \$18 million in 1978. This was still only 4.7 per cent of total property taxation for the rural areas of southern Ontario. Generally, the contribution by vacant land and buildings ranged from 2.8 per cent for the cities in the south to 4.2 per cent for the rural north.

Of the commercial sector, industrial and retail and other commercial were the largest sources of tax revenues. Industrial properties provided from 9.9 per cent of revenues in the rural south to 25.0 per cent in the rural north. Cities in the north and Metro Toronto received 18.0 per cent and 15.2 per cent of revenues respectively from retail and other commercial businesses.

# Composition of Property Taxes by Type of Property

Table 6-10

	Metro Toronto		Regions		Cities South	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Properties Taxed at Residential Rate						
Taxes	50.3	48.6	59.8	60.1	54.7	55.5
Municipal Charges	0.5	0.6	2.2	2.6	1.5	1.8
Subtotal	50.8	49.2	62.0	62.7	56.2	57.3
Properties Taxed at Commercial Rate						
Realty Taxes	31.4	32.8	23.8	22.9	27.9	26.9
Business Taxes	15.7	15.7	10.3	10.3	13.0	13.0
Municipal Charges	2.1	2.3	3.9	4.1	2.9	2.8
Subtotal	49.2	50.8	38.0	37.3	43.8	42.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

	Cities North		Rural South		Rural North	
	1975 %	1978 %	1975 %	1978 %	1975 %	1978 %
Properties Taxed at Residential Rate						
Taxes	48.5	49.0	69.5	68.8	49.0	48.6
Municipal Charges	1.5	2.1	2.4	4.1	2.0	4.2
Subtotal	50.0	51.1	71.9	72.9	51.0	52.8
Properties Taxed at Commercial Rate						
Realty Taxes	33.8	33.0	17.6	16.7	32.7	31.9
Business Taxes	14.7	13.8	7.0	7.3	14.3	12.5
Municipal Charges	1.5	2.1	3.5	3.1	2.0	2.8
Subtotal	50.0	48.9	28.1	27.1	49.0	47.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

# Property Taxes by Type of Property

Table 6-11

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Properties Taxed at Residential Rate				
Residences: Realty Taxes	1,203	1,750	45.5	8.9
Municipal Charges	35	69	97.1	23.2
Subtotal	1,238	1,819	46.9	9.4
Farmland	22	29	31.8	7.4
Vacant Land and Buildings	87	125	43.7	4.2
Other Properties	9	22	144.4	22.2
Total	1,356	1,995	47.1	8.8
Properties Taxed at Commercial Rate				
Industrial	322	461	43.2	10.0
Financial and Wholesale	103	153	48.5	- 5.0
Professional, Chain Retail	177	258	45.8	0.4
Retail and Other Commercial*	302	444	47.0	11.6
Parking Lots	21	31	47.6	- 3.1
Telephone and Telegraph	44	59	34.1	9.3
Municipal Charges	26	47	80.8	17.5
Total	995	1,453	46.0	7.1
TOTAL	2,351	3,448	46.5	8.1

\*Retail and Other Commercial also included the Transportation and Distribution tax class which contributed \$27 million in 1975 and \$46 million in 1978.

Composition of Property Taxes By Type of Property

Table 6-12

	1975 %	1976 %	1977 %	1978 %
Properties Taxed at Residential Rate				
Residences: Realty Taxes	51.2	50.9	50.4	50.8
Municipal Charges	1.5	1.8	1.7	2.0
Subtotal	52.7	52.7	52.1	52.8
Farmland	0.9	0.9	0.8	0.9
Vacant Land and Buildings	3.7	3.4	3.8	3.6
Other Properties	0.4	0.6	0.6	0.6
Total	57.7	57.6	57.3	57.9
Properties Taxed at Commercial Rate				
Industrial	13.7	13.6	13.1	13.4
Financial and Wholesale	4.4	4.6	5.1	4.4
Professional, Chain Retail	7.5	7.6	8.0	7.5
Retail and Other Commercial	12.8	12.9	12.5	12.9
Parking Lots	0.9	0.9	1.0	0.9
Telephone and Telegraph	1.9	1.7	1.7	1.7
Municipal Charges	1.1	1.1	1.3	1.3
Total	42.3	42.4	42.7	42.1
TOTAL	100.0	100.0	100.0	100.0

1978 Total Property Taxes By Type of Property  
(\$ Million)

Table 6-13

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Properties Taxed at Residential Rate						
Residences: Realty Taxes	546	692	208	42	232	30
Municipal Charges	8	33	7	2	16	3
Subtotal	554	725	215	44	248	33
Farmland	0	10	0	0	18	1
Vacant Land and Buildings	49	47	11	3	12	3
Other Properties	9	7	2	1	2	1
Total	612	789	228	48	280	38
Properties Taxed at Commercial Rate						
Industrial	159	166	63	17	38	18
Financial and Wholesale	101	31	15	2	3	1
Professional, Chain Retail	137	72	29	7	11	2
Retail and Other Commercial	188	139	49	17	40	11
Parking Lots	18	9	3	1	0	0
Telephone and Telegraph	19	22	8	1	8	1
Municipal Charges	9	29	3	1	4	1
Total	631	468	170	46	104	34
TOTAL	1,243	1,257	398	94	384	72



Composition of 1978 Total Property Taxes By Type of Property

Table 6-14

	Metro Toronto %	Regions %	Cities South %	Cities North %	Rural South %	Rural North %
Properties Taxed at Residential Rate						
Residences: Realty Taxes	43.9	55.1	52.2	44.7	60.4	41.6
Municipal Charges	0.6	2.6	1.8	2.1	4.2	4.2
Subtotal	44.5	57.7	54.0	46.8	64.6	45.8
Farmland	0	0.8	0	0	4.7	1.4
Vacant Land and Buildings	4.0	3.7	2.8	3.2	3.1	4.2
Other Properties	0.7	0.5	0.5	1.1	0.5	1.4
Total	49.2	62.7	57.3	51.1	72.9	52.8
Properties Taxed at Commercial Rate						
Industrial	12.9	13.2	15.8	18.1	9.9	25.0
Financial and Wholesale	8.1	2.5	3.8	2.1	0.8	1.4
Professional, Chain Retail	11.0	5.7	7.3	7.4	2.9	2.8
Retail and Other Commercial	15.2	11.1	12.3	18.0	10.4	15.2
Parking Lots	1.4	0.7	0.7	1.1	0	0
Telephone and Telegraph	1.5	1.8	2.0	1.1	2.1	1.4
Municipal Charges	0.7	2.3	0.8	1.1	1.0	1.4
Total	50.8	37.3	42.7	48.9	27.1	47.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

## Residential Property Taxes

Residential property taxes increased 4.8 per cent in 1978, Table 6-15, to a provincial average of \$607 per household\*. For the province, school taxes per household grew by 5.7 per cent while the municipal portion increased 3.2 per cent. Municipal taxes of \$312 per household accounted for 51.4 per cent of total residential taxes. The trends that were apparent in the analysis of total taxation growth were also present on a per household residential basis. Growth rates for both purposes slowed to reflect spending restraint and, since 1975, the growth in school taxes were greater than municipal taxes with the percentage of the total going to support education rising from 44.0 per cent in 1975 to 48.6 per cent in 1978. With the exception of Metro Toronto, school taxes in all areas grew at a higher rate than municipal taxes, including municipal charges.

While the provincial average for residential taxes per household was \$607, the range for the individual municipal areas was from \$277 per household in the rural north to \$777 per household in Metro Toronto. The level of taxes per household depended on the extent and costs of services provided by each type of municipality and also on the other sources of revenue available, particularly provincial assistance. Since 1975, taxes

\*Average residential taxes per household are calculated according to the following formula:

A<sub>i</sub> = Average residential assessment per household in i<sup>th</sup> municipality.

R<sub>i</sub> = Residential public school supporter mill rate in i<sup>th</sup> municipality.

C<sub>i</sub> = Residential and farm municipal charges in the i<sup>th</sup> municipality.

N<sub>i</sub> = Number of households in i<sup>th</sup> municipality.

T<sub>i</sub> = Average Residential Tax per household in i<sup>th</sup> municipality.

T = Average Residential Tax per household in Province.

$$T_i = \frac{A_i \times R_i}{1000} + \frac{C_i}{N_i}$$

$$T = \frac{\sum_{i=1}^n T_i \times N_i}{\sum_{i=1}^n N_i}$$

Average residential assessment per household is the average 1974 assessment for a single family dwelling unit (a residential property with 6 or less residential units). The mill rate applied is the sum of the municipal and school rates for a public school supporter. Special area mill rates are also included when the special area covers more than 80 per cent of the taxable assessment. In the case of a municipality with merged areas, the mill rate and average assessment in the predominant merged area are used on behalf of the whole municipality. The predominant area is the one with the largest equalized assessment.

per household have been consistently higher in the urban areas and lower in the rural north and south. Generally, in the latter areas this reflected the services provided by the municipalities compared to those in the cities, regions and Metro Toronto.

Of the urban areas, the northern cities reported the lowest average taxes per household at \$484 and experienced a decrease in the municipal share. It should be noted that in 1978, this area received the highest level of provincial assistance per household at \$877. The rural north with the lowest taxes per household of all the areas also had a high level of provincial assistance.

Average Gross Residential Property Taxes  
Per Household

Table 6-15

	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
<i>Metro Toronto</i>				
Municipal Taxes	295	372	26.1	3.9
Municipal Charges	7	11	57.1	57.1
Subtotal	302	383	26.8	4.9
School Taxes	282	394	39.7	3.1
Total	584	777	33.0	4.0
<i>Regions</i>				
Municipal Taxes	275	330	20.0	3.1
Municipal Charges	25	19	-24.0	18.8
Subtotal	300	349	16.3	3.9
School Taxes	222	324	45.9	6.6
Total	522	673	28.9	5.2
<i>Cities South</i>				
Municipal Taxes	249	301	20.9	3.1
Municipal Charges	16	17	6.3	0
Subtotal	265	318	20.0	2.9
School Taxes	164	246	50.0	6.0
Total	429	564	31.5	4.3
<i>Cities North</i>				
Municipal Taxes	218	239	9.6	-3.6
Municipal Charges	17	20	17.6	0
Subtotal	235	259	10.2	-3.4
School Taxes	152	225	48.0	9.8
Total	387	484	25.1	2.3
<i>Rural South</i>				
Municipal Taxes	138	160	15.9	2.6
Municipal Charges	18	26	44.4	8.3
Subtotal	156	186	19.2	3.3
School Taxes	135	199	47.4	7.6
Total	291	385	32.3	5.5
<i>Rural North</i>				
Municipal Taxes	117	133	13.7	0.8
Municipal Charges	11	24	118.2	4.3
Subtotal	128	157	22.7	1.3
School Taxes	83	120	44.6	10.1
Total	211	277	31.3	4.9
<i>Province</i>				
Municipal Taxes	242	294	21.5	3.2
Municipal Charges	19	18	-0.5	20.0
Subtotal	261	312	19.5	4.0
School Taxes	205	295	43.9	5.7
Total	466	607	30.3	4.8

## Residential Tax Burden

In 1978, average residential taxes per household required approximately 2.7 per cent of average household income, Table 6-16. For the province as a whole and for each municipal area, the rate of increase in average taxes per household was less than the increase in average income. In the regions, the relative tax burden remained unchanged at 2.9 per cent while all other areas experienced a 0.1 per cent decline in this ratio in 1978. The rural north with the lowest absolute level of per household property tax also had the lowest ratio at 1.4 per cent of income.

Residential Tax Burden

Table 6-16

	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
<i>Metro Toronto</i>				
Property Tax/Hshld.	584	777	33.0	4.0
Income/Hshld.	20,000	26,200	31.0	8.3
Property Tax/Income (%)	2.9	3.0	3.4	-3.2
<i>Regions</i>				
Property Tax/Hshld.	522	673	28.9	5.2
Income/Hshld.	18,800	23,600	25.5	7.8
Property Tax/Income (%)	2.8	2.9	3.6	0
<i>Cities South</i>				
Property Tax/Hshld.	429	564	20.9	3.1
Income/Hshld.	18,100	23,000	27.1	8.5
Property Tax/Income (%)	2.4	2.5	4.2	-3.8
<i>Cities North</i>				
Property Tax/Hshld.	387	484	25.1	2.3
Income/Hshld.	15,600	22,900	46.8	12.3
Property Tax/Income (%)	2.5	2.1	-16.0	-8.7
<i>Rural South</i>				
Property Tax/Hshld.	291	385	32.3	5.5
Income/Hshld.	14,800	19,100	29.1	9.8
Property Tax/Income (%)	2.0	2.0	0	-4.8
<i>Rural North</i>				
Property Tax/Hshld.	211	277	31.3	4.9
Income/Hshld.	15,500	19,600	26.5	8.3
Property Tax/Income (%)	1.4	1.4	0	-6.7
<i>Province</i>				
Property Tax/Hshld.	466	607	30.3	4.8
Income/Hshld.	18,000	22,800	26.7	7.5
Property Tax/Income (%)	2.6	2.7	3.8	0

## Net Residential Tax Burden

Tax credit programs were provided by both the Province and municipalities to ease the residential property tax burden of those who can least afford it. The Ontario Tax Credit System provides a property and a pensioner tax credit which in 1978 averaged \$117 per household. An additional \$1 per average household was refunded by municipalities through The Municipal and School Tax Credit Assistance Act and The Municipal Elderly Residents' Assistance Act. The total of these two credit systems effectively reduced average residential property taxes per household to \$489 in 1978. The increase in the tax offset since 1977 coupled with higher average per household income, reduced net taxes as a per cent of income from 2.2 per cent in 1977 to 2.1 per cent. Over the longer period from 1975 to 1978, this ratio increased 5.0 per cent.

Net Residential Tax Burden Per Household
Table 6-17

	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Municipal Taxes and Charges	261	312	19.5	4.0
School Taxes	205	295	43.9	5.7
Gross Property Tax	466	607	30.3	4.8
Tax Offsets*	115	118	2.6	2.6
Net Property Tax	351	489	39.3	5.4
Share of Household Income (%)				
Gross Taxes	2.6	2.7	3.8	0
Net Taxes	2.0	2.1	5.0	-4.5

\*Includes the following Provincial tax credits and municipal programs:

The Municipal and School Tax Credit Assistance Act allows the Council of any local municipality to pass by-laws authorizing a credit or refund equivalent to one half of the municipal taxes on any real property that is owned and occupied by a person and a spouse as a personal residence, provided one of the persons is over 65 years of age. The credit cannot exceed \$150, and the credit becomes a lien on the property until ownership of the property is transferred outside of the direct family. The municipality is reimbursed by the Province for the funds it has transferred. In 1978 payments under The Municipal and School Tax Credit Assistance Act totalled approximately \$1 million by 84 municipalities.

The Municipal Elderly Residents' Assistance Act allows the Council of a municipality to pass by-laws authorizing a uniform credit to owners of residential properties, against the real property taxes imposed by the municipality in respect of that property. The owner or spouse must occupy the property, must be 65 years of age or over, must have resided on the property for between 1 and 5 years as specified in the by-law, and if specified, must be in receipt of the monthly guaranteed income supplement under Part II of the Old Age Security Act (Canada). The total amount spent by municipalities on this assistance in 1978 was approximately \$2 million by 55 municipalities.

In 1972 the Ontario Government introduced the Ontario Property Tax Credit System which relates the property tax burden borne by each taxpayer in Ontario to his ability to pay as determined under the personal income tax system. Ontario residents are eligible to claim property tax credits on the basis of property taxes paid or 20 per cent of rent paid. Pensioners paying property taxes receive an additional \$110 as part of their basic credit. The following table indicates how the credits are calculated:

Basic Property Tax Credit	+ Additional Property Tax Credit	+ Pensioner Credit	- Taxable Income Offset
lesser of occupancy cost or \$180 where occupancy cost equals 20% of total rental payments, plus property taxes, plus \$25 for student residence	10% of occupancy cost	110	2%

In 1978 total property tax credits and pensioner tax credits amounted to \$434 million (preliminary).



## Chapter 7

# Long Term Borrowing, Debt and Debt Charges

### Long Term Borrowing— Overview

Total long term borrowing incurred by local governments to finance capital expenditures amounted to \$372 million in 1978, 29.8 per cent less than in 1977 and 12 per cent less than in 1975. Approximately three quarters of the total borrowing, or \$295 million, was for municipal purposes. The municipal sector reported a sharp reduction in long term borrowing, a decrease of nearly 40 per cent. A total of \$87 million was borrowed by school boards in 1978.

Long Term Borrowing By Source

Table 7-1

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Issued by Municipalities				
Ontario	84	88	4.8	33.3
Federal Government	27	29	7.4	-37.0
Public	223	168	-24.7	-53.6
Subtotal	334	285*	-14.7	-39.9
Issued by School Boards				
Ontario	83	87	4.8	50.0
Public	6	0	—	—
Subtotal	89	87	-2.2	50.0
TOTAL	423	372	-12.1	-29.8

Borrowing from the Province by municipalities totalled \$88 million, an increase of 33.3 per cent from 1977. In 1975 long term borrowing from the Province equalled \$84 million, about 5 per cent below the level reported in 1978. Borrowing from the public and the Federal Government both dropped in 1978 by roughly 54 per cent and 37 per cent respectively. Although borrowing from the public market declined by almost 54 per cent of the total in 1977, it still represented the major source of borrowing by municipalities.

School board borrowing, when compared to 1975, decreased by 2.2 per cent in 1978. In 1977 other revenue increased drastically from \$1 million in 1976 to \$21 million in 1977. Other revenue declined sharply in 1978 and when coupled with a decrease in contributions from the revenue fund, resulted in an increased reliance on borrowing as a source of financing.

### Long Term Borrowing by Municipal Area

On a per household basis, total long term borrowing by local governments equalled \$120 in 1978, a decrease of 31 per cent when compared to 1977, Table 7-2. Of this total, \$91 was for municipal purposes and \$29 was for school boards.

When examined on an area basis, the highest level of long term borrowing was shown for cities in the north at \$241 per household which included \$18 per household for school boards purposes, Table 7-3. Local government in the rural south reported the least per household borrowing, \$69 per household in 1978. The other municipal groups reported borrowing levels ranging from \$71 per household in the rural north

\*This figure was higher than the borrowing figure reported in Chapter 3 because this included borrowing for own municipal purposes plus borrowing on behalf of unconsolidated boards and individuals. In Chapter 3, borrowing included only that for own municipal purposes.

Long Term Borrowing per Household  
By Source

Table 7-2

Province	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Issued by Municipalities				
Ontario	29	29	0	31.8
Federal Government	9	9	0	-40.0
Public	77	53	-31.2	-55.1
Subtotal	115	91	-20.9	-41.3
Issued by School Boards				
Ontario	29	29	0	52.6
Public	2	0	-	-
Subtotal	31	29	-6.5	-52.6
TOTAL	146	120	-17.8	-31.0

to \$132 per household for the regions. All urban municipalities, including the regions, reported borrowing levels which exceeded the average for the province overall. This was expected since the number and level of services are greater in the urban areas than the rural areas.

1978 Long Term Borrowing per Household  
By Source

Table 7-3

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Issued by Municipalities							
Ontario	18	42	10	22	32	9	29
Federal Government	18	9	1	26	0	5	9
Public	59	43	104	175	21	15	53
Subtotal	95	94	115	223	53	29	91
Issued by School Boards							
Ontario	31	38	11	18	16	42	29
Public	0	0	0	0	0	0	0
Subtotal	31	38	11	18	16	42	29
TOTAL	126	132	126	241	69	71	120

In 1978, all municipalities in the Province borrowed an average of \$53 per household or roughly 58 per cent of the total from the public market.\* When taken on an area basis, the public was the main source of long term borrowing for all municipal areas except the rural south. In per household terms, the amounts ranged from \$15 in the rural north to \$175 for the cities in northern Ontario. Municipalities in the rural south borrowed more from the Province than from any other source (namely \$32 per household or approximately 60 per cent of the total). Of this \$32 per household, \$28 per household was accounted for in tile drainage loans.

Likewise, in the rural north \$5 per household of the \$9 per household borrowed from the Province was for tile drainage.\*\*

An average of \$29 per household was reported in 1978 as long term borrowing by school boards, all of which was borrowed from the Province. The highest level of borrowing, at \$42 per household, was in the rural north while the cities in the south

\*For detailed tabulation of borrowing among the various sources for all municipal areas over the period 1975 to 1978, see Appendix B, Tables B7-1 to B7-7.

\*\*Municipalities can borrow from the Province under the tile drainage and shoreline assistance programs on behalf of property owners. These loans are then repaid by the benefitting property owners and not through general municipal revenues. In 1978, tile drainage loans amounted to \$22.1 million—or roughly 8 per cent of the total borrowed by municipalities in that year.

reported the least amount of long term borrowing, \$11 per household. For the remaining areas, school board borrowing ranged from \$16 per household for the rural south to \$38 per household in the regions.

In terms of percentage changes, all areas of the province, except cities in the north, reported decreases in long term borrowing per household, Table 7-4. Municipalities in the rural north reported the smallest decrease, 4.1 per cent, but reported the second lowest level of long term borrowing on a per household basis, Table 7-3 and Table 7-4. The greatest decrease was shown for Metro Toronto, 53 per cent, which at \$126 per household reported the third highest level of borrowing along with the cities in southern Ontario.

Change in Long Term Borrowing Per Household By Source

Table 7-4

	Metro Toronto		Regions		Cities South	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change		% Change		% Change	
Issued by Municipalities						
Ontario	5.9	—	2.4	13.5	11.1	0
Federal Government	-5.3	-48.6	200.0	28.6	-93.8	-83.3
Public	-9.2	-72.8	-62.0	-57.0	-1.9	-14.8
Subtotal	-6.0	-62.3	-40.1	-34.7	-12.2	-16.7
Issued by School Boards						
Ontario	106.7	-93.8	-19.1	31.0	-38.9	37.5
Public	—	—	—	—	—	—
Subtotal	106.7	-93.8	-19.1	31.0	-38.9	37.5
TOTAL	8.6	-53.0	-35.3	-23.7	-15.4	-13.7
	Cities North		Rural South		Rural North	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change		% Change		% Change	
Issued by Municipalities						
Ontario	266.7	83.3	-20.0	-3.0	-75.0	-55.0
Federal Government	18.2	-27.8	—	—	25.0	-16.7
Public	42.3	17.4	23.5	-36.4	400.0	-40.0
Subtotal	47.7	13.2	-11.7	-28.4	-32.6	-43.1
Issued by School Boards						
Ontario	5.9	80.0	-50.0	33.3	40.0	82.6
Public	—	—	—	—	—	—
Subtotal	5.9	80.0	-50.0	33.3	40.0	82.6
TOTAL	43.5	16.4	-25.0	-19.8	-2.7	-4.1

Only the cities in northern Ontario reported an increase in borrowing per household in 1978 compared to 1977. Their borrowing increased 16.4 per cent. Borrowing for municipal and school purposes increased by a total of \$34 to reach a level of \$241 per household. This increase was primarily for protection, environment and residential and industrial development in addition to an 80 per cent increase in borrowing for school board purposes.

## Total Long Term Liabilities

Local government net debt outstanding at the end of 1978 amounted to \$4.3 billion, an increase of \$30 million or 0.7 per cent over 1977, Table 7-5. Approximately two thirds of this total net debt outstanding was for municipal purposes. In 1975 total net debt outstanding equalled \$3.7 billion. Therefore, over the 1975-1978 period, total net debt outstanding increased by 17.1 per cent.

As a result of incurring capital expenditures in advance of permanent financing, municipalities had a total of \$181 million in unfinanced capital outlays at the end of 1978. This was an increase of \$103 million from 1977. When compared to the 1975

level of \$238 million, unfinanced capital outlays were \$57 million lower. The decrease in long term borrowing in 1978 coupled with the high level of unfinanced capital expenditure would indicate that municipalities may have deferred further borrowing.

School boards reported a total of \$14 million in unfinanced capital outlays, which represented an increase of \$2 million or 16.7 per cent from the level reported in 1977. In 1975 unfinanced capital outlays totalled \$20 million.

If it is assumed that the 1978 unfinanced capital could have been debentured, the total long term liabilities for local governments were \$4.5 billion, an increase of 3.2 per cent from 1977. Municipal total liabilities increased by nearly 6 per cent to equal \$3.1 billion while total liabilities for school boards declined by 1.9 per cent.

Net Debt and Unfinanced Capital Expenditures			Table 7-5	
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Net Debt Outstanding				
Municipalities	2,174	2,898	33.3	2.1
School Boards	1,501	1,407	−6.3	−2.1
Subtotal	3,675	4,305	17.1	0.7
Unfinanced Capital Expenditures				
Municipalities	238	181	−23.9	137.7
School Boards	20	14	−30.0	16.7
Subtotal	258	195	−24.4	121.1
Total Long Term Liabilities*				
Municipalities	2,412	3,079	−27.7	5.7
School Boards	1,521	1,421	−6.6	−1.9
TOTAL	3,933	4,500	14.5	3.2
*including unfinanced capital expenditures				

With respect to debt measured on a per household basis, local governments reported a total of \$1,374 per household in net debt outstanding in 1978, Table 7-6. Of this total, municipal net debt outstanding was \$925 per household. This included roughly \$40 per household for unconsolidated boards, namely municipal hydro, hospitals and telephone. When compared to 1977 the municipal net debt outstanding decreased by less than one per cent on a per household basis. In 1975, net debt outstanding equalled \$754 per household, roughly 23 per cent below the 1978 level. School boards averaged \$449 per household in net debt outstanding, nearly 5 per cent less than the level reported in

Net Debt and Unfinanced Capital Expenditures Per Household			Table 7-6	
	1975 \$	1978 \$	1978/75 % Change	1978/77 % Change
Net Debt Outstanding				
Municipalities	754	925	22.7	−0.7
School Boards	521	449	−13.8	−4.5
Subtotal	1,275	1,374	7.8	−2.0
Unfinanced Capital Expenditures				
Municipalities	113	59	−47.8	136.0
School Boards	7	5	−28.6	25.0
Subtotal	120	64	−46.7	120.7
Total Long Term Liabilities				
Municipalities	867	984	13.5	2.9
School Boards	528	454	−14.0	−4.4
TOTAL	1,395	1,438	3.1	0.5



1977. In addition to the debt outstanding, local governments reported a total of \$64 per household in unfinanced capital outlays. This resulted in a total long term liability of \$1,438 per household for the province overall, an increase of less than 1 per cent from 1977.

On a per household basis, Metro Toronto and its constituent municipalities (including school boards) had the highest level of net debt outstanding and unfinanced capital outlays (i.e., \$1,766) while local governments in the rural south at \$809 per household reported the lowest level, Table 7-7\*. In general, total per household liabilities for the rural municipalities were roughly two-thirds that reported by the other municipal groups.

1978 Net Debt and Unfinanced Capital Expenditures  
Per Household

Table 7-7

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Net Debt Outstanding							
Municipalities	1,308	1,006	905	1,072	392	303	925
School Boards	398	556	330	525	350	631	449
Subtotal	1,706	1,562	1,235	1,597	742	934	1,374
Unfinanced Capital Expenditures							
Municipalities	55	52	68	107	61	66	59
School Boards	5	11	2	8	6	7	5
Subtotal	60	63	70	115	67	73	64
Total Long Term Liabilities							
Municipalities	1,363	1,058	973	1,179	453	369	984
School Boards	403	567	332	533	356	638	454
TOTAL	1,766	1,625	1,305	1,712	809	1,007	1,438

In terms of percentage changes, the largest increase in municipal long term liabilities was reported for the cities in the north, 6.5 per cent over the 1977 level, Table 7-8. With an increase of 1.3 per cent per household, Metro Toronto had the lowest increase. The increases for the other municipal groups ranged from 3.7 per cent in the regions to 5.0 per cent for the cities in southern Ontario.

## Net Long Term Debt Outstanding by Function — Overview

The majority of the municipal debt was for environment, transportation and recreation, Table 7-9. Together, these services accounted for approximately 74 per cent of the total municipal debt, including unconsolidated boards. Of these functions, only net debt outstanding for environment increased relative to 1977, namely by 4 per cent overall. This increase resulted primarily from a 20 per cent increase in solid waste and pollution control. In addition, net debt outstanding for sewers increased by roughly 4 per cent in 1978. Debt charges for these services increased substantially more than the increase in net debt outstanding, primarily due to the higher interest rate for the new debt.

Net debt outstanding for transit and roads declined in 1978, by 5.3 per cent and 2.4 per cent respectively. In 1977 capital expenditures for these services increased significantly. This increase, combined with the increase in debt charges in 1978, indicated that new debt had been incurred for these services in 1977. However, since debt outstanding declined in 1978 it can be assumed that the debt retired in 1978 exceeded the amount of new debt incurred.

\*For details on net debt and unfinanced capital spending for all municipal areas over the period 1975 to 1978, see Appendix B, Tables B7-8 to B7-14.

## Changes in Net Debt and Unfinanced Capital Expenditures Per Household

Table 7-8

	Metro Toronto		Regions		Cities South	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Net Debt Outstanding						
Municipalities	21.9	-3.8	24.5	-0.1	17.4	1.9
School Boards	-10.6	-1.7	-11.7	-3.6	-22.2	-8.6
Subtotal	12.4	-3.3	8.6	-1.4	3.3	-7.5
Unfinanced Capital Expenditures						
Municipalities	-51.2	—	-60.0	300.0	-34.0	74.3
School Boards	66.7	—	-15.4	—	0	—
Subtotal	-48.3	—	-55.9	—	-33.3	—
Total Long Term Liabilities						
Municipalities	14.9	1.3	12.8	3.7	11.3	5.0
School Boards	-10.4	—	-11.8	—	-22.1	—
TOTAL	8.1	—	2.8	—	3.8	—
	Cities North		Rural South		Rural North	
	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change	1978/75 % Change	1978/77 % Change
Net Debt Outstanding						
Municipalities	32.7	13.5	31.5	6.2	11.0	-1.6
School Boards	-18.7	-4.5	-19.7	-6.4	-13.6	-4.8
Subtotal	9.8	6.9	1.1	-0.1	-6.9	-3.8
Unfinanced Capital Expenditures						
Municipalities	-28.2	-34.4	-28.2	-6.2	4.8	46.7
School Boards	-33.3	—	200.0	—	-63.2	—
Subtotal	-28.6	—	-23.0	—	-11.0	—
Total Capital Fund Liabilities						
Municipalities	23.2	6.5	18.3	4.4	9.8	4.5
School Boards	19.0	—	-18.7	—	-14.8	—
TOTAL	6.0	—	-1.5	—	-7.2	—

Debt for recreational services also declined in 1978 by 3.1 per cent. This was a noticeable change from the 39.7 per cent increase reported for the period from 1975 to 1978.

Planning and development had the largest increase over 1977 at 16.3 per cent. This resulted from a 16.7 per cent increase in debt outstanding for tile drainage and a 16 per cent increase in residential and industrial development.

Social services was the only other function which increased significantly from 1977, by 8.3 per cent. This increase was the result of new debt incurred in 1977 for homes for the aged.

## Net Long Term Debt Outstanding by Municipal Area

All municipal areas of the province, except Metro Toronto and municipalities in the rural north, reported the greatest percentage increases for outstanding debt per household for planning, Table 7-10.\* These increases varied from 16.1 per cent in regions to 32.3 per cent for cities in southern Ontario.

Health and social services at 9 per cent had the highest increase in debt of any function in Metro Toronto, whereas in the rural north the largest increase in debt on a

\*Details on net long term debt outstanding per household for each of the municipal areas over the period 1975 to 1978 are shown in Appendix B, Tables B7-15 to 7-32.

# Net Long Term Debt Outstanding By Function

Table 7-9

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
General Government	62	81	30.6	-8.0
Protection				
Police	37	52	40.5	-
Fire	34	29	-14.7	-
Other	9	35	288.8	16.7
Subtotal	80	116	45.0	4.5
Transportation				
Roadways	379	440	16.1	-2.4
Transit	149	144	-3.4	-5.3
Subtotal	528	584	10.6	-3.2
Environment				
Sewers	548	760	38.7	4.1
Waterworks	280	383	36.8	0.8
Solid Waste & Other	46	84	82.6	20.0
Subtotal	874	1,227	40.4	4.0
Health	62	75	21.0	-6.3
Social Services	110	144	30.9	8.3
Culture and Recreation	247	345	39.7	-3.1
Planning and Development				
Residential and Industrial				
Development	53	116	118.9	16.0
Tile Drainage	45	77	71.1	16.7
Subtotal	98	193	96.9	16.3
Total Municipal	2,061	2,765	34.5	1.8
Unconsolidated Boards	115	129	12.2	3.2
School Boards	1,501	1,407	-6.3	-2.0
TOTAL	3,677	4,301	17.1	0.7
Total per Household (\$)	1,275	1,374	7.8	-2.0

per household basis was 41.7 per cent for protection, mainly due to an increase in debt for police services.

All municipal areas except the cities, reported decreases in total local government debt outstanding per household in 1978. These decreases ranged from 0.1 per cent in the rural south to 3.8 per cent in the rural north.

Cities in northern Ontario reported an increase of 6.9 per cent in total debt outstanding while outstanding net debt for the southern cities increased by 7.5 per cent in 1978.

In terms of dollars per household, Metro Toronto had the highest level of net debt outstanding at \$1,308, the bulk of which was for environment and transportation, \$465 per household and \$325 per household respectively. As might be expected, the rural municipalities showed the lowest levels of net debt outstanding per household. For the other municipal groups the debt levels ranged from \$905 per household for the cities in the south to \$1,072 in the northern cities.

## Debt Charges — Overview

Municipalities spent a total of \$427 million towards the financing of net debt outstanding, an increase of nearly 11 per cent over 1977, Table 7-11.\* Municipal debt

\*For details on debt charges by function for municipal areas over the period 1975 to 1978, see Appendix B, Tables B7-33 to B7-52.

Net Long Term Debt Outstanding Per Household By Function

Table 7-10

	Metro Toronto		Regions		Cities South	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change		% Change		% Change	
General Government	12.5	−10.0	35.3	−11.6	11.5	−3.3
Protection	42.8	5.3	30.8	−2.9	18.7	−7.3
Transportation	−10.2	−10.5	13.3	−4.1	27.8	4.0
Environment	43.5	1.5	30.3	2.2	10.9	−0.7
Health and Social Services	35.0	9.0	13.0	−9.0	−29.4	−7.7
Culture and Recreation	41.5	−6.0	17.4	−5.3	25.4	−5.5
Planning and Development	15.4	−9.1	124.1	16.1	173.3	32.3
Total Municipal	22.3	−3.7	27.4	0.1	18.9	1.6
Unconsolidated Boards	−5.0	−11.1	−9.2	−3.3	0	6.9
School Boards	−10.6	−1.7	−11.7	−3.6	−22.2	−8.6
TOTAL	12.7	−3.3	8.6	−1.4	3.3	7.5
	Cities North		Rural South		Rural North	
	1978/75	1978/77	1978/75	1978/77	1978/75	1978/77
	% Change		% Change		% Change	
General Government	27.6	−6.3	75.0	0	−28.0	−25.0
Protection	27.6	19.3	66.7	0	240.0	41.7
Transportation	12.3	6.5	12.0	16.7	−34.7	−15.0
Environment	40.3	22.0	17.1	−1.2	−14.8	−7.1
Health and Social Services	−22.2	−16.7	−12.5	−6.7	36.0	3.0
Culture and Recreation	12.3	0	37.5	4.8	26.1	0
Planning and Development	114.8	28.9	68.5	20.6	106.7	34.8
Total Municipal	29.6	13.3	32.4	7.1	−3.6	1.0
Unconsolidated Boards	66.2	15.3	14.3	−11.1	0	−15.4
School Boards	−18.7	−4.5	−19.7	−6.4	−13.6	−4.8
TOTAL	9.8	6.9	1.1	−0.1	−6.9	−3.8

Debt Charges By Function

Table 7-11

	1975	1978	1978/75	1978/77
	\$ Million	\$ Million	% Change	% Change
General Government	10	14	40.0	7.8
Protection				
Fire	4	6	50.0	20.0
Police	4	8	100.0	14.3
Other	4	5	25.0	25.0
Subtotal	12	19	58.3	18.8
Transportation				
Roadways	71	90	26.8	7.1
Transit	18	22	22.2	10.0
Subtotal	89	112	25.8	7.8
Environment				
Sewers	75	107	42.7	11.5
Waterworks	41	56	36.6	7.8
Solid Waste & Other	7	11	57.1	10.0
Subtotal	123	174	41.5	10.1
Health and Social Services	23	29	26.1	11.5
Culture and Recreation	32	55	71.9	10.0
Planning and Development				
Residential and Industrial Development	7	12	71.4	9.1
Tile Drainage	6	12	100.0	33.3
Subtotal	13	24	84.6	20.0
Total Municipal	302	427	40.9	10.9
Unconsolidated Boards	19	0	—	—
School Boards	207	214	3.4	0.5
TOTAL	528	641	21.2	7.9



outstanding had increased by roughly 2 per cent. The relatively high increase in debt charges can be attributed to higher interest rates. Planning and development showed the highest increase in net debt outstanding during the period 1975-1978 and therefore, it was not unusual that this function also had the greatest percentage increase in debt charges, 20 per cent. The smallest increase, 7.1 per cent, was reported for roads.

In actual dollars, at \$5 million, the lowest level of debt charges in 1978 was for other protection, which includes conservation authorities. The debt charges for sewers were the highest of all the functions, \$107 million, an increase of 11.5 per cent from 1977.

### Debt Charges by Municipal Area

Total debt charges per household for all municipal functions were \$137 for the province overall, Table 7-12. This was an increase of nearly 8 per cent over the \$127 per household reported in 1977. In 1975, debt charges per household amounted to \$113, roughly 21 per cent below the 1978 level.

1978 Debt Charges Per Household By Function							Table 7-12
	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
General Government	7	4	4	8	2	5	5
Protection	11	5	6	9	2	2	7
Transportation	66	34	35	31	5	5	35
Environment	80	57	65	61	22	25	57
Health and Social Services	14	11	4	8	3	6	7
Culture and Recreation	36	16	11	11	3	4	18
Planning and Development	3	7	3	5	19	3	8
Unconsolidated Boards	0	0	1	0	0	0	0
TOTAL	217	134	129	133	56	50	137

Changes in Debt Charges Per Household By Function							Table 7-13
	Metro Toronto		Regions		Cities South		
	1978/75 % Change	1978/77	1978/75 % Change	1978/77	1978/75 % Change	1978/77	
General Government	40.0	16.7	33.3	0	-20.0	0	
Protection	57.1	10.0	66.7	0	50.0	20.0	
Transportation	8.2	6.4	30.8	3.0	34.6	10.7	
Environment	40.3	14.3	26.7	7.5	25.0	1.6	
Health and Social Services	16.7	27.3	37.5	10.0	-42.9	-20.0	
Culture and Recreation	71.4	16.1	45.4	0	37.5	0	
Planning and Development	200.0	50.0	40.0	16.7	0	-	
Unconsolidated Boards	-	0	-	0	-90.9	-	
TOTAL	29.2	13.0	22.9	4.7	12.9	2.3	

	Cities North		Rural South		Rural North		
	1978/75 % Change	1978/77	1978/75 % Change	1978/77	1978/75 % Change	1978/77	
General Government	100.0	14.3	0	0	66.7	66.7	
Protection	50.0	12.5	100.0	0	100.0	0	
Transportation	0	0	0	0	0	0	
Environment	-24.5	7.0	29.4	10.0	4.2	-3.9	
Health and Social Services	-29.3	-29.3	0	0	50.0	0	
Culture and Recreation	22.2	10.0	50.0	0	33.3	-20.0	
Planning and Development	150.0	25.0	72.7	26.7	50.0	50.0	
Unconsolidated Boards	-	0	-	0	-	0	
TOTAL	11.8	5.5	32.5	11.8	15.9	4.1	

As expected, given the level of net debt outstanding, Metro Toronto at \$217 reported the highest debt charges per household while the rural north and rural south had the lowest levels at \$50 and \$56 per household respectively.

All municipal areas with the exception of the rural north and cities in the south had the greatest increases in debt charges per household for planning. These increases ranged from nearly 17 per cent in regions to 50 per cent in Metro Toronto.

Cities in southern Ontario reported a 20 per cent increase in debt charges for protection, which was the largest increase in any function for these municipalities. Finally, debt charges per household for general government increased by about 67 per cent for municipalities in the rural north.

## Chapter 8

# Year-End Position

### Revenue Fund

At the end of 1978, local government had an overall revenue fund surplus of \$236 million, Table 8-1. This was a \$30 million increase over the 1977 year-end surplus of \$206 million. Over the four year period analyzed, the largest year-end balance occurred in 1978 with a surplus of \$236 million.

Revenue Fund Surplus Year-End Balance

Table 8-1

	1975 \$ Million	1976 \$ Million	1977 \$ Million	1978 \$ Million
Municipalities				
Beginning of Year	171	140	158	163
Add: Revenues	3,048	3,358	3,832	4,275
Less: Expenditures	3,079	3,340	3,827	4,221
End of Year	140	158	163	217
Percent of Tax Levy	10.7	10.8	9.8	12.2
School Boards				
Beginning of Year	34	73	18	43
Add: Revenues	2,749	3,103	3,498	3,737
Less: Expenditures	2,710	3,158	3,473	3,761
End of Year	73	18	43	19
Percent of Tax Levy	7.0	0.5	2.8	1.1
Total Local Sector				
Beginning of Year	205	213	176	206
Add: Revenues	5,797	6,461	7,330	8,012
Less: Expenditures	5,789	6,498	7,300	7,982
End of Year	213	176	206	236
Percent of Tax Levy	9.1	6.4	6.5	6.8

The year-end balance in 1975 was equivalent to 9.1 per cent of total property taxes raised. In 1977 the accumulated surplus had fallen to 6.5 per cent of property taxes. At year-end 1978 this ratio had increased to 6.8 per cent.

The \$236 million year-end accumulated surplus was made up of \$217 million at the municipal level and \$19 million with the school boards. As a percentage of total taxation for each jurisdiction, the municipal surplus equalled 12.2 per cent of taxes raised compared to the school board surplus equalling 1.1 per cent. The year with the second largest surplus for all local government was 1975. In that year, the municipal surplus was 10.7 per cent of taxes raised compared to 7.0 per cent for school boards. Throughout the period the school board accumulated surplus was lower than the municipal. This probably was a consequence of the range of services with features that were difficult to predict for municipalities. For example, weather tends to affect municipal costs more than school costs, especially for services such as roads, parks and recreation programs.

In 1978 Metro Toronto had the largest surplus of \$98 million at the municipal level, Table 8-2. However, the per cent of year-end surplus to tax levy was only the fifth largest of the six sectors at 8.2 per cent. The largest ratio was found in the rural south at 17.2 per cent. The southern cities had a surplus of \$18 million which resulted in the lowest surplus to tax levy ratio of 8.0 per cent. The rural north had the second highest ratio overall, at 15.4 per cent, followed by northern cities at 13.5

per cent. The only general reason that can be offered to account for this pattern is that a larger proportion of rural and northern municipal budgets are affected by the weather, specifically road maintenance.

1978 Municipal Revenue Fund Year-End Balance

Table 8-2

(\$ Million)

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Revenue Fund						
Surplus at Beginning of Year	57	47	18	6	31	4
Add: Revenue	1,479	1,503	480	158	524	131
Less: Expenditures	1,438	1,493	480	157	524	129
Surplus at End of Year	98	57	18	7	31	6
Percent of Tax Levy	8.2	8.6	8.0	13.5	17.2	15.4

The accumulated revenue fund surplus of school boards was highest in Metro Toronto at \$10 million in 1978, an increase of \$4 million for the year, Table 8-3. As a percentage of taxes raised the Metro Toronto boards also ranked highest at 1.6 per cent. School boards in the counties had an accumulated surplus of \$5 million which represented 1.2 per cent of taxes levied. The school boards in regions went from a 1977 year-end surplus of \$13 million to a year-end surplus of \$2 million in 1978. As a result, these boards had the largest change in year-end balances. However, the 1978 surplus was only 0.3 per cent of taxes levied. School boards in districts started 1978 with a \$5 million surplus but ended the year with a \$1 million surplus. As a result, the year-end surplus represented 1.1 per cent of taxes levied.

1978 School Board Revenue Fund Year-End Balance

Table 8-3

	Metro Toronto \$ Million	Regions \$ Million	Counties \$ Million	Districts \$ Million
Revenue Fund				
Surplus at Beginning of Year	14	13	10	5
Add: Revenues	959	1,384	1,039	355
Less: Expenditures	963	1,395	1,044	359
Surplus at End of Year	10	2	5	1
Percent of Tax Levy	1.6	0.3	1.2	1.1

### Capital Fund

The level of unfinanced capital outlay for the total local sector at the end of 1978 was \$195 million, Table 8-4. This was a \$109 million increase over the 1977 unfinanced capital outlay of \$86 million. Therefore, capital expenditure exceeded capital financing by \$109 million. During the years 1975 through 1978, the largest capital unfinanced outlay, \$258 million, occurred in 1975. This decreased in 1976 to \$180 million and in 1977 to \$86 million. This indicated that, although the year-end balances varied, there was a trend to decreasing unfinanced capital outlay.

The year-end balance in 1975 was 19.8 per cent of total capital expenditures. By 1977 this percentage had fallen to 6.8 per cent. In 1978, this ratio rose to 14.3 per cent.

The 1978 unfinanced capital outlay of \$195 million was composed of \$181 million unfinanced capital outlay at the municipal level and \$14 million at the school board level. Municipalities and school boards did not permanently finance all of their capital expenditures.

For municipalities, this balance represented 15.8 per cent of capital expenditures which were not permanently financed; for school boards the balance represented 8.2 per cent. In 1975, the year with the largest unfinanced capital outlay, these ratios



# Capital Fund Unfinanced Capital Outlay at Year-End

Table 8-4

	1975 \$ Million	1976 \$ Million	1977 \$ Million	1978 \$ Million
Municipalities				
Beginning of Year	120	238	175	74
Less: Revenues	928	1,197	1,247	1,087
Add: Expenditures	1,046	1,134	1,146	1,194
End of Year	238	175	74	181
Percent of Capital Expenditures	22.7	15.4	6.5	15.8
School Boards				
Beginning of Year	9	20	5	12
Less: Revenues	198	160	121	168
Add: Expenditures	209	145	128	170
End of Year	20	5	12	14
Percent of Capital Expenditures	9.6	3.4	9.4	8.2
Total Local Sector				
Beginning of Year	129	258	180	86
Less: Revenues	1,126	1,357	1,368	1,225
Add: Expenditures	1,255	1,279	1,274	1,364
End of Year	258	180	86	195
Percent of Capital Expenditures	20.5	14.1	6.8	14.3

were 21.7 per cent for municipalities and 9.6 per cent for school boards. Throughout the 1975 to 1978 period, municipalities had higher levels of unfinanced capital expenditures relative to total expenditures as compared to school boards except in 1977.

In 1978, the regions had the largest unfinanced capital outlay of \$59 million at the municipal level, Table 8-5. However, the ratio of unfinanced capital outlay to capital expenditures was the lowest at 12.4 per cent. Metro Toronto had the next highest year-end balance of \$44 million with a ratio of 13.9 per cent. Rural municipalities in northern Ontario had the second lowest ratio of 12.7 per cent and the lowest unfinanced outlay of \$7 million. The northern cities had the highest ratio of 22.9 per cent with a balance of \$11 million. Southern cities and rural south had balances of \$27 million and \$33 million respectively. The ratios of unfinanced capital outlay to capital expenditure were 20.8 per cent for the southern cities and 19.4 per cent for the rural south.

## 1978 Municipal Capital Fund Position at Year-End (\$ Million)

Table 8-5

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Unfinanced Capital Outlay at Beginning of Year	-14	13	16	16	38	5
Less: Revenues	259	428	119	53	175	53
Add: Expenditures	317	474	130	48	170	55
Unfinanced Capital Outlay at End of Year	44	59	27	11	33	7
Percent of Capital Expenditure	13.9	12.4	20.8	22.9	19.4	12.7

Unlike the municipal categories, the school board categories generally had a decline in the level of unfinanced expenditures in 1978 compared to 1977, Table 8-6. The school boards in regions reduced their unfinanced expenditures of \$16 million in 1977 to \$13 million in 1978. The school boards in districts also reduced their overall unfinanced position. The Metro Toronto school boards had unexpended funds of \$5 million in 1977 which were reduced to \$4 million. The school boards in counties increased their unfinanced position by \$3 million in 1978. Overall the school boards in regions had unfinanced expenditures equal to 17.6 per cent of capital expenditures while school boards in counties and districts had not permanently financed 14.3 per cent of their

1978 School Board Capital Fund Position at Year End

Table 8-6

	Metro Toronto \$ Million	Regions \$ Million	Counties \$ Million	Districts \$ Million
Unfinanced Expenditures at Beginning of Year	—5	16	1	3
Less: Revenue	55	71	29	13
Add: Expenditures	54	74	28	14
Unfinanced Expenditures at End of Year	—4	13	4	2
Percent of Capital Expenditures	—7.4	17.6	14.3	14.3

capital expenditures. The school boards in Metro Toronto had a surplus of funds, 7.4 per cent in excess of their capital expenditures.

The tendency for municipalities to have unfinanced capital fund spending, which was usually covered by short-term borrowing, reflected the range of programs and financial sources this sector used compared to school boards. The former may have dealt with a number of functional provincial ministries such as Health (hospitals), Transportation and Communications (roads and bridges), Environment (sewer and water) and Community and Social Services (day care centres). Furthermore, the capital projects had different start as well as progress characteristics. Therefore, it was not unusual that there were differences when actual funds were required. Perhaps most important, municipalities generally went to the private sector market for their borrowing needs and timing was a factor in this case. School boards were able to get all of their borrowing requirements from a single source for approved projects, namely The Ontario Education Capital Aid Corporation, at preferred rates.

## Reserves and Reserve Funds

Local government reserves and reserve funds year-end balances totalled \$908 million in 1978, an increase of 13.2 per cent or \$106 million, Table 8-7.\* The increases in the total year-end balance exceeded the growth in total government revenues since 1975. The year end balance of reserves and reserve funds as a percentage of total revenues therefore increased annually from 8.2 per cent in 1975 to 10.3 per cent in 1978.

Balance of Reserves and Reserve Funds at Year-End

Table 8-7

	1975 \$ Million	1977 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Municipalities					
Reserves	197	278	315	59.9	13.3
Reserve Funds	261	425	484	85.4	13.9
School Boards					
Reserves	61	59	58	—4.9	—1.7
Reserve Funds	29	40	51	75.9	27.5
Total Local Sector					
Reserves	258	337	373	44.6	10.7
Reserve Funds	290	465	535	84.5	15.1
TOTAL	548	802	908	65.7	13.2
Percent of Total Revenues	8.2	9.5	10.3		

Reserve fund balances for the total local sector increased by 15.1 per cent in 1978 while reserves increased by 10.7 per cent. The municipal sector had a 13.9 per cent increase in reserve funds while reserves increased by only 13.3 per cent. Similarly, school board reserve funds increased faster than total reserves.

\*For a more thorough discussion of reserves and reserve funds, see Part II of this report.

## Municipal Reserves and Reserve Funds

Municipal reserves and reserve funds increased by roughly 13 per cent in 1978, which was substantially lower than the 39 per cent increase reported for the previous year. Total reserves and reserve funds for the province overall equalled \$799 million as compared to \$703 million in 1977. On a per household basis, provincial reserves and reserve funds were \$258 in 1978, Table 8-8.

The regions reported the highest level of reserves and reserve funds at \$375 per household in 1978, while Metro Toronto had the lowest level at \$179 per household. The other sectors reported reserves and reserve funds ranging from \$188 per household for municipalities in the rural south to \$292 per household in the rural north.

Municipal 1978 Year-End Balance Per Household

Table 8-8

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Reserves	98	125	65	71	88	133	102
Reserve Funds	81	250	126	192	100	159	156
<b>TOTAL</b>	<b>179</b>	<b>375</b>	<b>191</b>	<b>263</b>	<b>188</b>	<b>292</b>	<b>258</b>

Lot levy reserve funds comprised the largest single component of total reserves and reserve funds. For the province as a whole, lot levy reserves were at \$37 per household at the end of 1978, an increase of nearly 16 per cent from 1977, Table 8-9. Also, these reserve funds represented 14 per cent of total municipal reserves and reserve funds.

As might have been expected the only area of the province which did not report any lot levy reserves in 1978 was the rural north. For the other municipal areas, the amounts in per household terms varied from a low of \$7 in Metro Toronto to a high of \$81 in the Regions. This was expected. Lot levies were directly related to new development, particularly new subdivisions, and the regions were the highest growth areas in the mid 1970's.

Lot levies, when taken as a percentage of total reserves and reserve funds, were highest in the regions at 21.6 per cent. With just over 13 per cent, the cities in southern Ontario had the second highest level. The other municipal groups reported percentages ranging from 3.8 per cent in the northern cities and Metro Toronto to 6.4 per cent in the municipalities in the rural south.

1978 Lot Levy Reserve Funds Per Household

Table 8-9

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Beginning of Year	6	69	23	10	12	0	32
Add: Revenues	9	59	10	0	7	0	26
Less: Expenditures	8	47	8	0	7	0	21
Year End Balance	7	81	25	10	12	0	37
Percent of Total Balance	3.9	21.6	13.1	3.8	6.4	0	14.3

## School Board Reserves and Reserve Funds

At the end of 1978, school board reserves and reserve funds totalled \$109 million, an increase of \$10 million over 1977. School board reserves declined by almost 2 per cent while reserve funds increased by almost 28 per cent.

School boards in the districts had the highest level of year-end reserves and reserve fund balances at \$89 per household followed by Metro Toronto school boards at \$42 per household, Table 8-10. The school boards in districts had by far the highest level of

reserves at \$73 per household, while Metro Toronto boards had the highest level of reserve funds.

School Board 1978 Year End Balances Per Household				Table 8-10
	Metro Toronto \$	Regions \$	Counties \$	Districts \$
Reserves	11	16	16	73
Reserve Funds	31	17	4	16
TOTAL	42	33	20	89

Tax Collections and Arrears

In 1978, total taxes levied by local government increased by 8.1 per cent, whereas collections increased by 8.9 per cent. Therefore, an improvement was made in the level of collections. The current year's collections increased from 94.0 per cent of the levy to 94.4 per cent. Collections of previous years' taxes also showed an improvement increasing from 4.2 per cent of taxes levied to 4.5 per cent. At the end of 1978, uncollected taxes were \$248 million, an increase of \$13 million over 1977.

1978 Local Government Tax Roll				Table 8-11
	1977 \$ Million	1978 \$ Million	1978/77 % Change	Percentage of 1978 Tax Levy
Taxes Uncollected at the Beginning of Year	200	235	17.5	6.8
Additions to Tax Roll				
Interim and Final Billings	3,130	3,372	7.7	97.9
Sewer Charges Collected on Water Bills	57	73	28.1	2.1
Total Taxes	3,187	3,445	8.1	100.0
Penalties and Interest Added	26	29	11.5	0.8
Total	3,213	3,474	8.1	100.8
Reductions				
Collections -- Current Year	2,996	3,253	8.6	94.4
-- Previous Years	134	156	16.4	4.5
-- Discounts and Reductions	48	52	8.3	1.5
Total	3,178	3,461	8.9	100.4
Taxes Uncollected at Year-End				
Current	185	188	1.6	5.5
Previous Year	37	43	16.2	1.2
Prior Years	13	17	30.8	0.5
Total	235	248	5.5	7.2

With the continued improvement in the level of tax collections from 1975 to 1978, tax arrears declined as a percentage of the tax levy from 7.9 per cent to 7.1 per cent, Table 8-12. The most marked improvement was in the reduction of the current year's tax arrears, from 6.0 per cent in 1975 to 5.0 per cent in 1978.

The total taxes in arrears increased from \$65 per household in 1975 to \$79. Of this increase \$5 per household was in current arrears and \$9 per household was in prior years' arrears. The improvement in the collection of the current year's taxes suggests municipalities improved their tax billing and collection procedures.

Metro Toronto had the highest level of collections and the lowest level of arrears when expressed as a percentage of the tax levy. On this basis, tax arrears were substantially higher in the rural areas. On a per household basis, rural areas' tax arrears appeared less significant, due to the lower levels of taxation in rural areas.



# Tax Collections and Arrears

Table 8-12

	1975	1976	1977	1978
Collections as Per Cent of Levy				
Current Year (%)	93.8	94.6	94.2	95.0
Prior Years (%)	4.4	4.5	4.4	4.7
Total (%)	98.2	99.1	98.6	99.7
Arrears as Per Cent of Levy				
Current Year (%)	6.0	5.4	5.7	5.0
Prior Years (%)	1.9	1.8	1.6	2.1
Total (%)	7.9	7.2	7.3	7.1
Arrears Per Household				
Current Year (\$)	50	50	59	55
Prior Years (\$)	15	17	17	24
Total (\$)	65	67	76	79

## 1978 Tax Collections and Arrears by Municipal Area

Table 8-13

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Collections as Per Cent of Levy						
Current Year (%)	95.7	94.9	95.9	95.8	91.8	93.4
Prior Years (%)	4.7	4.5	3.2	3.7	6.9	5.7
Total (%)	100.4	99.4	99.1	99.5	98.7	99.1
Arrears as Per Cent of Levy						
Current Year (%)	4.3	5.1	4.1	4.2	8.2	6.6
Prior Years (%)	1.5	2.0	2.3	2.1	4.1	4.2
Total (%)	5.8	7.1	6.4	6.3	12.3	10.8
Arrears Per Household						
Current Year (\$)	67	57	41	40	52	42
Prior Years (\$)	23	22	23	19	26	27
Total (\$)	90	79	64	59	78	69

**PART II. SOURCES OF CAPITAL FINANCING**  
**1975-1978**



## Chapter 1

# Introduction

The structure of municipal accounting systems provides for a clear separation of revenues and expenditures between current or operating funds and capital funds. The operating account is called the revenue fund whereas the capital account is called the capital fund. Capital expenditure is any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery and equipment. Such expenditure normally generates benefits or service lasting beyond one year and results in the acquisition of or extension to the useful life of a fixed asset. It could include purchases of vehicles, office equipment and furniture. Expenditures on repairs or maintenance that are intended to maintain an asset in its original state are not capital expenditures. Capital expenditures also include interest on temporary borrowings for capital purposes and transfers for capital purposes to local entities not consolidated in the financial records of local government such as hospitals and universities.

Municipalities have a variety of methods available to finance their capital expenditures. The primary source of funds in the past four years was long term borrowing. Transfers from the Province of Ontario were the second largest source of revenue. Municipalities could also finance capital expenditures from their own cash reserves which were created either through savings (i.e. reserves and reserve funds) or directly from in-year revenues. There were other sources of financing which for the purposes of this paper are classified as other revenues. Other revenues included federal government grants, proceeds from the sale of fixed assets, prepaid special charges, income from investments, donations and miscellaneous other items. Another option available to finance capital acquisitions was to enter into a lease agreement for services with other enterprises or agencies. In this manner the enterprise or agency incurred the capital expenditure while the particular municipality paid for it through annual charges. Most of these different instruments were not mutually independent and generally municipalities used a wide choice of all.

Although municipalities had a choice of methods to finance their capital expenditures, there were some restrictions and limitations. A choice of financing a project between property tax dollars transferred from the revenue fund in the current year versus long term borrowing could be limited by the cost of the capital asset in relation to the scale of the operating budget. An expenditure, if financed through tax dollars via contributions to the capital fund may have caused a large increase in the mill rate and as such could have been impractical. Therefore the municipality may have preferred to issue a long term debenture so that the mill rate impact could be spread out over a number of years.

Municipalities were required to have their capital borrowing and long term leases approved by the Ontario Municipal Board. If the municipality was close to its debt limit\*, long term borrowing may have been prohibited and it may have been forced to use another method such as levying the amount in the current budget and directing it to the capital fund. A further complication arose in this type of restriction in that all local government debt, including school boards, was measured in terms of its

---

\*The Ontario Municipal Board applies two general concepts in approving local government borrowing. One is that long term debt (includes municipal and school debt) should not exceed a fixed percentage of equalized assessment (e.g. 10 per cent for regional government areas). The other is debt charges as a per cent of revenue fund expenditures (e.g. 20 per cent for most municipalities) which includes only municipal debt charges.



impact on the same taxpayers. As a result, large capital borrowing by a school board may have absorbed the defined borrowing capacity in a given jurisdiction and therefore prevented additional municipal borrowing. In two tier municipal jurisdictions, such as regional governments, one tier could have absorbed the allowed debt capacity and therefore prevented the other tier from borrowing. There was no quantitative allocation of available debt capacity between municipalities and school boards or between municipalities respectively. This particular constraint has never been a problem to date. In some regional governments the upper tier and lower tiers have agreed on a combined level of borrowing and relative shares during the budget process.

Borrowing, contributions from the revenue fund and contributions from reserves and reserve funds ultimately were financed by general municipal revenues of which a large component was property taxation. As a result, each source of financing has affected property taxpayers, both in the past being examined here and in the future.

This part of the report describes the financial instruments available to municipalities, why different instruments are used and the impact of these different instruments on the municipal corporations and their taxpayers.

# Chapter II

## Sources of Capital Financing 1975-1978

### Financial Overview

For municipalities and their agencies, though they exhibited an up and down movement in total capital finance over the 1975 to 1978 period, total capital financing increased by 17.1 per cent, Table 2-1. Similarly, though borrowing and provincial grants showed some fluctuations over the period, municipalities had a continual increase in contributions from own funds and other revenue. Ontario grants to municipalities increased by 8.3 per cent from \$278 million in 1975 to \$301 million in 1978. Own funds was the largest source of finance at \$365 million. Other revenues increased by 62 per cent from 1975 to 1978 reaching \$141 million. Borrowing, the largest component of revenue over the 1975 to 1978 period, was reduced to the third highest source of finance in 1978 due to a decrease of 42.5 per cent in 1978 over 1977.

Municipal Capital Fund Sources Of Financing				Table 2-1
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Contributions From Own Funds				
Revenue Fund	168	210	25.0	8.2
Reserves and Reserve Funds	80	155	93.8	21.1
Subtotal	248	365	47.2	13.4
Ontario Grants	278	301	8.3	- 5.0
Prepaid Charges	9	13	44.4	0
Other Revenue	87	141	62.1	6.8
Borrowing	306	267	- 12.7	- 42.5
TOTAL	928	1,087	17.1	- 13.5
Unfinanced Capital Outlay (Unexpended Funds)	118	109		

### Contributions from Own Funds

Contributions from own funds refers to transfers from the revenue fund, the in-year operating account, and transfers from reserves and reserve funds which are accumulated savings intended to purchase specific assets in a future year. The funds coming from the revenue fund may be included in the annual budget and, in that instance, would be direct tax dollars or part of an in-year general surplus of the revenue fund. In the latter case, revenue fund contributions could be made up of all non-earmarked general revenues. The funds accumulated in reserves and reserve funds for capital purposes were generated via the revenue fund through a fixed tax policy, year-end surpluses and specific revenue collections which did not need to enter the revenue fund, such as lot levies. The reserves and reserve funds accumulated until the time in which a specific capital project was desired to take place. At that point the money was transferred from the reserves or reserve fund to the capital fund.

In 1978 municipalities used \$365 million in own funds to pay for capital projects. This was an increase of 47.2 per cent over 1975 and a 13.4 per cent increase over 1977. The increase in the use of own funds over the period substantially exceeded the growth in capital expenditure (i.e. 14.1 per cent). This indicated that one revenue source was substituted for other sources.

Own Fund Contributions to Capital Fund

Table 2-2

	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Contributions from Revenue Fund	168	210	25.0	8.2
Contributions from Reserve Funds	80	155	93.8	21.1
TOTAL	248	365	47.2	13.4

As Table 2-3 shows for municipalities, own funds as a per cent of total financing increased from 26.7 per cent in 1975 to 33.6 per cent in 1978. In 1977, there was a drop in the proportion of funding from own sources to 25.9 per cent. This was a result of the high level of borrowing in that year as opposed to a decline in the use of own funds.

Contributions From Own Funds As A Percentage of Total Capital Financing

Table 2-3

	1975 %	1977 %	1978 %
Contributions from Revenue Fund	18.1	15.6	19.3
Contributions from Reserves and Reserve Funds	8.6	10.3	14.3
TOTAL	26.7	25.9	33.6

In the treatment of own funds at the municipal level it was important to separate the use of contributions from the revenue fund and the contributions from reserves and reserve funds. In 1978, municipal contributions from the revenue fund totalled \$210 million, an increase of 25 per cent over 1975. Contributions from reserves and reserve funds increased by almost 94 per cent over the same period reaching \$155 million. In 1978, contributions from reserves and reserve funds increased 21.1 per cent or by \$27 million. A main cause for the increased use of reserves and reserve funds was lot levy charges against new development. Lot levies were charged to pay for capital costs incurred by the municipality to allow development to proceed. The lot levies were mainly paid into a reserve fund\* and when the appropriate expenditure was incurred the money was transferred to the capital fund and then shown as an expenditure. In 1978, \$68.9 million or 44.5 per cent of contributions from reserve funds came from lot levy reserve funds. At year-end 1978, the remaining balance of the lot levy funds was \$109.9 million to be used in future years for capital expenditures.

## Provincial Grants

The capital expenditures of municipalities were subsidized on a service basis by direct provincial conditional grants. In addition, the unconditional grants based on the municipal tax levy, paid by the Province to municipalities were reported as general municipal revenues and effectively subsidized all revenue fund expenditures. The debt charges on long term borrowing, transfers to the capital fund and reserves and reserve funds, to the extent that they were generated from the property tax base, were subsidized by unconditional grants. The unconditional grants based on the tax levy reached \$274 million in 1978, a growth of 45 per cent since 1975. The per capita grants, which did not increase with the tax levy but could have been used for revenue fund expenditures towards supporting debt charges and transfers to own funds, grew by 23.4 per cent from 1975 totalling \$174 million in 1978. The effects of unconditional grants are not analyzed in

\*Some municipalities in 1978 showed, inappropriately, \$17 million in other revenue which were lot levies. These funds should have flowed through the revenue fund or the reserve fund. A further \$6 million was received in the revenue fund.

this section but their effects are taken into consideration in Chapter 4 in this report. That chapter deals with the impact of capital expenditures on the revenue fund and individual taxpayers.

Total provincial capital grants reached \$301 million in 1978, an increase of 12.3 per cent since 1975. However, municipalities received a higher level of grants in 1977 of almost \$316 million. Part of the reason for fluctuations in the capital grants was the fact that they were grants which were conditional on an expenditure occurring for a specific purpose. If the expenditure did not occur, no grants were paid and the level of assistance appeared to fall.

As Table 2-4 demonstrates, in terms of total dollars received by municipalities, the bulk of provincial assistance was paid towards the cost of transportation, environmental services, recreation and planning. These also were the services where the bulk of capital expenditures occurred. From 1975 to 1978 grants to support transportation services grew by 4.2 per cent reaching almost \$200 million. In 1977, transportation grants were almost \$214 million. This decrease in grants was caused by the large drop in grants for transit vehicles and subway construction, from \$90.7 million in 1977 to \$59.7 million in 1978, a decrease of \$31 million. Direct capital grants for sewer and water services increased 23.1 per cent over the period totalling \$48.5 million in 1978. Capital grants for recreation increased by 88.3 per cent from 1975 to 1978. However, grants actually decreased from 1977 to 1978 by 3.6 per cent. The service area which experienced the highest increase in provincial assistance was planning and development. The 1975 to 1978 increase was almost 112 per cent. Most of these funds were related to residential development.

Provincial Grants 1975-1978			Table 2-4	
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
General Government and Other	5	1	- 80.4	0
Protection	1	1	0	0
Transportation				
Roads	112	138	23.0	12.7
Transit	78	60	- 23.1	- 33.1
Other	2	2	0	12.5
Subtotal	192	200	4.2	- 6.5
Environment				
Sewer and Water	37	46	28.4	13.3
Other	2	2	- 25.0	- 73.2
Subtotal	39	48	23.1	2.1
Health and Social Services	6	1	- 83.3	- 66.7
Culture and Recreation	19	37	88.3	- 3.6
Planning and Development	6	13	111.9	5.9
TOTAL	268	301	12.3	- 5.0

Transportation services received the bulk of capital grants throughout the period, Table 2-5. In 1975 transportation services received 73.3 per cent of all grants paid. Though still absorbing the largest component of grants, transportation's share dropped to 66.3 per cent of the total grants paid in 1978. Within transportation services, grants for roads increased their overall share from 42.9 per cent of the total grants in 1975 to 45.9 per cent in 1978 while grants for transit declined from 29.7 per cent to 19.8 per cent. Apart from the decline in transit grants, the increases in grant shares to environmental, recreational and planning services contributed to the downward shift in the size of the share formerly occupied by transportation services.

The distribution of capital grants, though responding to local expenditures, also reflected provincial priorities. Comparisons of grants as a per cent of expenditure over time indicated how provincial priorities versus local priorities have been consistent or incon-



sistent. The various services have received different rates of grant\*. Thus, comparative levels of support among services simply reflected provincial priorities. However, if provincial grants remained constant, changes in levels of support from year to year reflected differences in municipal versus provincial priorities. Small changes may have reflected cash flows wherein the receipt of grants did not match the financial year in which the spending occurred.

Distribution of Provincial Grants

Table 2-5

	1975 %	1977 %	1978 %
General Government and Other	1.7	0.2	0.3
Protection	0.4	0.2	0.3
Transportation			
Roads	42.9	38.7	45.9
Transit	29.7	28.7	19.8
Other	0.7	0.2	0.6
Subtotal	73.3	67.6	66.3
Environment			
Sewer and Water	14.0	13.1	15.6
Other	0.7	1.8	0.5
Subtotal	14.7	14.9	16.1
Health and Social Services	2.2	1.1	0.5
Culture and Recreation	7.4	12.2	12.3
Planning and Development	2.2	3.7	4.2
TOTAL	100.0	100.0	100.0

For transportation services provincial and municipal priorities remained relatively consistent. Grants for roads varied from 39.6 per cent to 41.0 per cent of total expenditure over the period, Table 2-6. Subsidies for capital expenditures on transit remained at 75 per cent over the period. The changes in level of support from 76.8 per cent in 1975 to 70.6 per cent in 1978 reflected cash flow differences and therefore there was a consistency in priorities between the two levels of government in terms of provincial assistance.

In Ontario, roads have traditionally been the function accounting for the largest share of the budget among all municipal services. The grants on roadways were paid primarily on the basis of a continual replacement of these roads as they deteriorated. The road grants were based on an approved level of expenditure in each municipality to replace or rebuild a certain amount of the road inventory each year. Different municipalities received different levels of provincial grant rates towards their approved expenditure. The rate of grant was determined according to the size, status and tax base of the municipality. Most municipalities used the approved level of expenditure as the basis for their budgeted capital expenditure. As a result, grants as a percentage of expenditure remained relatively constant. High growth municipalities had expenditures in excess of replacement in order to service new development. These municipalities received some supplementary assistance but their grant level lagged behind their expenditure level. The level of consistency of provincial-municipal spending on roads was therefore a direct result of the fact that grants determined expenditures in most municipalities.

Sewer and water services remained relatively close to 15 per cent over the period, the level of support applied to most systems. The Province, therefore, met its commitments of following local priorities. Grants for health services remained relatively constant at approximately 1.7 per cent throughout. Most grants on this service as with social services applied to operating expenditures.\*\* The level of provincial support for social

\*A summary of the bases on which grants are paid is provided annually in a publication produced by Subsidies Branch, Local Government Division, Ministry of Intergovernmental Affairs.

\*\*Local Government Finance in Ontario, 1977, pg. 60-64.

services varied widely over the period, when compared to municipal expenditures. As a result needs grant support decreased. Culture and recreation services showed a substantial increase in grants from 14 per cent in 1975 to almost 27 per cent in 1978. This increase was due to a large extent to the implementation of grants from Wintario. With municipalities increasing their involvement in subsidized housing and other land developments, the Province has increased its level of support through the implementation of new programs.

As a percentage of expenditures, grants have remained relatively constant since 1975. The significant changes occurred in social services, planning and development and culture and recreation. Provincial assistance for social services decreased since few items received provincial support for capital projects. However, the Province increased the grants allocated for planning and development in an attempt to provide incentives for municipalities to expand these services. Finally an increase was reported for provincial grants for culture and recreation with the introduction of funds available through Wintario.

Provincial Grants as a Percentage of Capital Fund Expenditure		Table 2-6		
	1975 %	1977 %	1978 %	
General Government and Other	9.9	1.9	1.5	
Protection				
Fire	0.8	0.5	1.0	
Police	10.0	2.6	3.9	
Other	4.3	0.8	0.8	
Transportation				
Roads	39.6	39.1	40.9	
Transit	76.8	71.4	70.6	
Other	7.5	5.1	9.5	
Environment				
Sewer and Water	17.2	13.9	15.0	
Other	5.3	25.6	4.9	
Health	1.8	1.7	1.6	
Social Services				
General Assistance	0.1	4.2	0.0	
Assistance to Aged	38.2	9.4	2.9	
Assistance to Children	75.7	24.2	14.2	
Culture and Recreation	14.0	26.1	26.8	
Planning and Development	8.6	14.5	13.1	
TOTAL	27.6	28.2	25.2	

### Other Revenue

This category included a number of unrelated revenue sources, such as Canada grants, proceeds from the sale of fixed assets, lot levies which had been incorrectly credited to the capital fund rather than reserves, prepaid special charges,\* private donations for specific capital projects, exchange rate gains on foreign currency sinking funds and various smaller sources. These other revenue sources equalled \$154 million in 1978, Table 2-7.

The category "other revenue" has grown rapidly. The average annual growth rate has been 14.9 per cent since 1970, and 14.3 per cent since 1975, but there was virtually no growth in 1978.

To some extent the strong growth resulted from the inappropriate reporting of lot levies by municipalities as a direct source of financing. Until 1975 the yields from lot

\*Prepaid special charges were contributions by landowners for projects that benefit them. These payments were made by individuals before long term financing of the project was secured. By prepaying individuals therefore, did not pay annual charges to the municipality to retire the debt incurred for the project.

levies were relatively small. However this misclassification of lot levies was not the only cause of high growth in "other revenue". Grants from the federal government at \$47 million, increased by 46.9 per cent from 1975 while prepaid special charges totalled \$13 million or an increase of 44.4 per cent. The sale of fixed assets, which could include land previously purchased for residential or commercial purposes as part of municipal land assembly programs, generated \$30 million in 1978, an increase of almost 131 per cent since 1975.

It was not clear whether or not the cessation of growth in 1978 signalled the end of the strong growth trend, since some of the sources in this category such as prepaid special charges and donations were naturally volatile. However, Canada grants actually declined by \$6 million in 1978. This likely signalled the end of the rapid growth of this source as the federal government restrains spending. Lot levies will likely continue to grow, but they should not be reported here by the municipalities. The remaining sources were, by their nature, very difficult to predict.

Other Revenue				Table 2-7	
	1975 \$ Million	1977 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Canada Grants	32	53	47	46.9	-11.3
Other					
Prepaid Special Charges	9	13	13	44.4	0
Sale of Fixed Assets	13	24	30	130.8	25.0
Investment Income	2	7	4	100.0	-42.9
Donations			9	—	—
Lot Levies	41	57	17	—	—
Other			34	—	—
Subtotal	65	101	107	64.6	17.6
TOTAL	97	154	154	58.8	0

## Long Term Borrowing

Long term borrowing by municipalities in Ontario is restricted to financing capital expenditures, therefore municipalities can not borrow long term to finance in-year operations or operating deficits.\* Municipal borrowing is supervised and where necessary restricted by the Ontario Municipal Board.

Municipalities borrowed more from senior levels of government. Municipalities borrowed from the Province through a variety of ministries and corporations. The Ontario Universities Capital Aid Corporation (OUCAC) bought \$15.2 million of municipal debentures in 1978; the proceeds were for library purposes. The rate of interest on OUCAC loans was based on the long term borrowing rate of the federal government which was approximately 1.0 to 1.5 per cent lower than what municipalities would obtain in the public market. The Ontario Municipal Improvement Corporation (OMIC) provided loans to municipalities with populations less than 20,000. These municipalities borrowed from OMIC because of their size and the size of the loans. They would have had to pay high marketing costs in relation to the amount of their issues and relatively high interest costs if they had gone to the public market. The proceeds of these loans could be used for general municipal purposes.

The Ministry of the Environment provided loans for joint provincial-municipal sewer and water projects, usually for a 30 year term. The municipality upon repayment of the loan will assume ownership of the project. In 1978 these loans totalled \$11.9 million. Loans for jointly owned projects were entirely separate from projects in which the Ministry of

\*A few municipalities have been allowed by the Ontario Municipal Board to borrow money for a five year term to eradicate an in-year deficit. However, these municipalities were placed under provincial supervision until the deficit was eliminated.

the Environment wholly owned a facility and through a service agreement recovered both capital and operating costs from municipalities.

The Ministry of Housing provided loans for a number of housing related projects such as sewer and water works in regions and for the assembly of land as part of a downtown revitalization program. These programs incorporated financial incentives such as deferrment of principal and interest payments to assist municipalities to participate. In 1978, Ministry of Housing loans totalled \$26.5 million.

The Province also provided loans to municipalities for tile drainage and shoreline assistance. These loans were funnelled through municipalities on behalf of particular landowners and individuals; the recipients repay the loans themselves as opposed to being repaid directly to the Province.

Municipalities' largest source of borrowing was the public market in which they issued serial debentures and sinking fund debentures.\* In 1978 serial debentures issued totalled \$155.6 million and sinking fund debentures totalled \$61.5. The large fluctuations year to year in public debentures issued resulted from municipalities holding back from the market due to expectation of changes in long term borrowing rates. A small downward change in long term market rates benefitted the municipality more than the higher shorter term costs involved in holding back an issue. Eventually debentures had to be issued, but municipalities did have some flexibility in timing of a particular issue. Thus, annual borrowing did not necessarily follow the same cycles as annual capital expenditures.

Long Term Borrowing By Source				Table 2-8
	1975 \$ Million	1978 \$ Million	1978/75 % Change	1978/77 % Change
Central Mortgage and Housing Corporation (CMHC)	27.3	28.5	4.4	— 38.6
University Capital Aid Corporation (TOUCAC)	7.1	15.2	114.1	590.6
Ontario Municipal Improvement Corporation (OMIC)	7.1	1.0	— 85.9	— 75.0
Ministry of Environment	8.7	11.9	36.8	36.8
Tile Drainage	29.7	22.1	— 25.6	4.2
Other*	31.9	37.7	18.2	— 17.0
Public Serial Debentures	177.8	155.6	— 12.5	— 45.2
Public Sinking Fund Debentures	44.5	61.5	38.2	— 61.5
TOTAL	334.1	333.5	— 0.4	— 41.5

\*The main component of "other" is Ministry of Housing loans. The details are not available in 1975. In 1977, \$30.7 million of "other" is Ministry of Housing programs. In 1978, Ministry of Housing loans totalled \$26.5 million.

\*Sinking fund debentures are issued to mature at a fixed future date. The municipality pays an agreed amount of money to a trustee each year. This money is invested in a sinking fund and used to redeem the debentures when they mature. Serial debentures are issued for a given number of years with a certain number maturing and redeemed by the municipality each year.



## Chapter III

# Relationships Among Sources of Financing

Municipalities, like any individual or corporation, generally have made choices to finance capital expenditures through either long term borrowing or cash payments. These choices affect the direct costs to the municipal corporation over time. Nevertheless, these choices were not always made on the basis of interest rates and interest costs. Choices may have been affected by the influence of provincial grant and loan programs and the ability of the Ontario Municipal Board to disallow long term borrowing. Even with the constraints, the choice between long term borrowing and cash involved a number of other considerations.

### Considerations in the Use of Long Term Borrowing

The amount of financing required was an important primary consideration. If the amount of financing was large, relative to the annual budget, an attempt to finance a project through the in-year tax levy could cause a substantial increase in taxes. This may not have been feasible. Furthermore, the amount may have been too large to save over a few years without a substantial increase in taxes. As a result, long term borrowing would have been the appropriate instrument to prevent substantial fluctuations in the mill rate from year to year.

The term of long term borrowing for the purchase or construction of an asset could not exceed the expected lifetime of the asset. Section 288(1) of The Municipal Act\* sets out the term of borrowing by purpose. The expected life of an asset usually reflected the total cost and determined the distinction between assets which could be purchased through cash as opposed to long term borrowing. As an example, the allowed term for waterworks was 30 years whereas it was only 10 years for road making equipment. Thus, a municipality would have been more likely to borrow for waterworks than for road making equipment. Other assets such as vehicles have even a shorter expected life-time. For such assets there would have been a greater tendency to finance with cash rather than with long term borrowing.

Some municipal capital expenditures are divisible into a number of units, for instance the purchase of police vehicles. If a large volume were bought at once the municipality may have borrowed the funds. However, if the municipality were only replacing one vehicle it may well have paid cash.

Though municipalities generally have used long term borrowing to finance assets with high levels of expenditure and have relied on the current budget for projects with less capital outlay, these options were not mutually exclusive. If a municipality had cash on hand, either through budgetary measures such as an annual fixed mill rate levy for capital costs, or a year-end surplus, it could have used the funds for partial payment and borrowed the balance.

\*The Municipal Act, R.S.O. 1970, Chapter 284 as amended by:  
1971, Chapters 81 and 98, S. 4, Schedule, paragraph 23  
1972, Chapters 121, 124 and 169  
1973, Chapters 83 and 175  
1974, Chapters 3, 85 and 136  
1975, Chapters 8 and 56 (2nd Session), Chapters 11 and 20  
1976, Chapters 51 and 69  
1977, Chapter 48  
1978, Chapters 17, 32, 87 S. 40, 101 and 104.

Another set of considerations in the choice of financial instruments used by municipalities took into account whether capital expenditures were for new growth, replacement of facilities or upgrading the levels of service. For a major capital expenditure which will benefit existing residents and future residents, paying cash does not allow the future residents to contribute to that particular facility. The use of long term borrowing allows additional taxpayers to contribute through their annual tax dollars which in part would be used to pay debt charges.

Lot levies or development charges require new residents to contribute their share of the cost of new facilities. Municipalities which incur capital expenditures due to new growth attempt to finance these expenditures from that growth. Table 3-1 shows the composition of sources of capital financing by types of municipality categorized according to their household growth rates over the 1975 to 1978 period. Borrowing in this analysis has been directly related to growth. It should be noted that the higher the growth rate of

1978 Sources of Capital Financing

Table 3-1

Municipalities with Household Growth Rates 1978/75	Sources of Capital Finance as a Percentage of Total Finance**						
	Growth Related Sources			Non-Growth Related Sources			
	Borrowing %	Lot Levy Reserve Funds %	Total %	Contributions from Revenue Funds %	Contributions from Reserves and Reserve Funds* %	Ontario Grants %	Total %
Greater than 18%	25.3	21.8	47.1	12.2	2.6	17.1	31.9
Less than 18%							
Greater than 12%	18.0	9.8	27.8	20.4	12.2	21.8	54.4
Less than 12%							
Greater than 6%	26.2	3.5	29.7	20.2	9.6	26.7	56.5
Less than 6%							
Greater than 0%	21.3	0.5	21.8	17.9	7.1	30.8	55.8
Less than 0%							
Greater than —6%	21.6	0.1	21.7	22.6	10.3	36.6	69.5
Less than —6%	6.3	0	6.3	29.9	2.4	60.0	92.3

\* Less Lot Levy Contributions

\*\*Excludes Other Revenue

the municipality, the greater the use of borrowing and lot levies. For municipalities with a growth rate in excess of 18 per cent in households from 1975 to 1978, 47.1 per cent of total capital financing can be attributed to borrowing and lot levy reserve funds whereas the non-growth related sources of financing only provided 31.9 per cent of total capital financing.

At the other end of the growth spectrum, in municipalities with a decline in households in excess of 6 per cent from 1975 to 1978, only 6.3 per cent of capital funding came from borrowing and lot levies. 92.3 per cent came from non-growth related sources, namely contributions from the revenue fund, Ontario grants and reserves and reserve funds other than lot levy reserve funds. Except for a minor exception in the municipalities in the 6 per cent to 12 per cent growth category, the tendency was obvious: the higher the rate of growth, the greater the reliance on borrowing and lot levies whereas the lower the rate of growth, the higher reliance on contributions from the revenue fund and Ontario grants.

Borrowing can also be dependent on the beneficiaries of a particular expenditure within a municipality. If the expenditure would benefit only taxpayers within a specific area such as one street or one neighbourhood, the municipality could charge those taxpayers directly. In most instances the local improvements would be too expensive for a small group to pay for in one year. The municipality, therefore, issues debentures and recovers the debt charges directly from those taxpayers. In this event, individuals usually have the option of paying their share up front or paying debt charges annually. If some pay up front it is shown as prepaid special charges, a subcategory of other revenue in capital

financing, and thus only the remaining amount of the expenditure would be debentured. In 1978, prepaid special charges totalled \$13 million.

Except in the area of tile drainage there was little municipal use of special area rates. This was because what was built in one part of a municipality, for example a sidewalk and streetlighting project, in one year, had been constructed in another part in prior years and will be planned in another part in the future. As a result, these expenditures eventually benefitted all residents and it was easier administratively to finance them as part of general municipal operations.

In summary, there are three main reasons to issue debentures: actual dollars to be raised, growth and specific beneficiaries. The reasons not to borrow became reasons for paying cash. For small projects cash may have been the best instrument. For non-growth related expenditures the benefits applied to the existing residents and if it would not cause an onerous jump in taxes then, again, cash may have been the best policy.

## Considerations in the Use of Contributions from the Revenue Fund

A fixed mill rate levy for capital purposes included in the current budget to pay at least a portion of the capital cost of a project was a form of self-discipline exercised by some councils. By using a fixed levy, part of the impact of the capital expenditure occurred immediately. With long term borrowing the impact of debt charges on the tax levy would not occur until future years. If the municipal council exercised a policy whereby a part of capital spending each year must be financed by a fixed mill rate levy, this would have placed an overall ceiling on capital expenditures and forced priority setting among projects.

A capital mill rate levy can be an effective way to smooth the financial impact of a major project even if such projects are infrequent. The capital levy in the first year may, if maintained, provide enough funds in future years to pay principal and interest charges on the borrowed portion as well as contributing to the new operating costs associated with any new project.

Municipalities have not in general charged depreciation costs in their annual budgets to reflect the fact that existing capital facilities wear out and must be replaced. When replacement is necessary, the expenditures are for "new" capital projects but they do not add to the capital stock of the municipality. A fixed mill rate capital levy is a form of depreciation costing. This is especially true in non-growth municipalities.

There are additional reasons why municipalities may choose to pay cash rather than choosing to borrow. These reasons essentially deal with the leverage and constraints applied by provincial grant and loan programs and the veto power of the Ontario Municipal Board over municipal borrowing. Other reasons may be size of the municipality and market rates on long term borrowing.

## Constraints Affecting the Choice of Borrowing or Use of an In-year Levy

The impact of Ontario grants can, in some instances, severely affect what might be termed a rational selection of financial instruments. Grants are so large in some services that the net cost to the municipality may be sufficiently low to allow their own share to be paid from current year revenues. Table 3-2, which categorizes municipalities by the level of provincial assistance on the capital fund, suggests that the higher the level of provincial assistance the lower the level of borrowing and the higher the level of contributions from the revenue fund.

A further analysis of these trends shows that those municipalities with high levels of provincial grant support are municipalities which concentrate their capital spending on roads and recreation. In addition, these municipalities have used contributions from the revenue fund historically as a budgetary principle.

Sources of Financing as a Percentage of Capital  
Revenues Net of Provincial Assistance 1978

Table 3-2

Categories of Municipalities with provincial assistance as a per cent of total finance	From Revenue Fund %	From Reserves and Reserve Funds %	Borrowing %	Other Revenues %
less than 10%	28.3	18.7	29.0	12.4
greater than 10%				
less than 20%	19.4	25.7	32.8	12.9
greater than 20%				
less than 30%	20.1	23.5	34.9	12.5
greater than 30%				
less than 40%	34.4	6.2	37.1	11.1
greater than 40%				
less than 50%	48.9	12.9	6.1	13.3
greater than 50%				
less than 60%	44.5	19.9	8.2	17.1
greater than 60%	51.8	20.9	4.2	14.1

Table 3-3 categorizes municipal groups according to the level of capital expenditure on roads and recreation as a per cent of total capital expenditure. The choice of roads and recreation as the selection criteria was made on the grounds that they are the highest grant supported services. Table 3-3 shows, though not consistently, that municipalities which concentrated their expenditures on roads and recreation financed their net cost of all capital services more from revenue fund contributions than from borrowing. This suggests that after the application of provincial grants, which were high for these

Sources of Financing as a Percentage  
of Total Capital Financing

Table 3-3

Municipalities with transportation and recreation expenditures as a percentage of capital expenditure		Provincial Grants %	Contributions	Contributions	Borrowing %
			from Revenue Fund %	from Reserves & Res. Funds %	
30% — 40%	1978	22.1	14.2	16.1	24.9
	1977	19.7	10.3	11.1	36.2
	1976	21.4	9.9	9.6	35.1
	1975	20.8	12.9	11.8	36.8
40% — 50%	1978	26.4	16.7	8.3	25.4
	1977	25.0	11.5	4.2	36.8
	1976	29.2	11.1	3.9	38.6
	1975	41.1	15.0	4.7	24.2
50% — 60%	1978	34.6	17.3	17.7	14.5
	1977	21.3	9.3	10.1	40.2
	1976	19.2	11.9	6.4	42.4
	1975	26.8	12.5	7.8	31.7
60% — 70%	1978	23.4	25.5	18.5	13.0
	1977	21.6	20.4	15.0	21.9
	1976	22.9	19.8	15.0	23.5
	1975	20.6	25.3	14.9	28.1
70% — 80%	1978	36.1	30.0	13.2	4.0
	1977	28.4	22.8	12.4	12.8
	1976	26.5	19.5	9.6	30.8
	1975	30.7	23.3	13.0	22.9
80% — 90%	1978	31.3	17.2	20.9	17.5
	1977	33.6	17.8	19.2	12.7
	1976	21.6	13.2	13.4	35.7
	1975	29.8	22.9	13.0	21.4
90% — 100%	1978	49.3	25.4	7.9	5.8
	1977	42.1	29.0	10.7	4.5
	1976	35.9	29.8	6.1	14.4
	1975	38.4	29.4	4.5	18.0



services, the level of net financing for these services could to a large extent be accommodated from in-year revenues and did not require large volumes of borrowing. Furthermore, the areas which tended to have high grants on transportation and recreation, did not have large amounts of capital expenditures outside of these services. To some extent the municipalities which received high grant rates were ones that, because of their size and size of their tax bases, could not raise the funds to meet the costs by going to the market. As such the high grant rate existed as a result of the municipality's inability to borrow over the long term.

When a municipality exceeds or approaches its debt limit, the Ontario Municipal Board will restrict the borrowing by the municipality to essential projects. As a result, the municipality must use alternate financial instruments. The most available instrument would be in-year revenue sources and would show up as contributions from the revenue fund.

A further constraint on the choice of financial instruments that has been suggested is the size of the municipality. Large municipalities go to the market more easily due to their own staff expertise in these areas and the fact that they obtain better rates than smaller municipalities. In other words, small municipalities have a tendency to shy away from the market and as a result finance their net capital expenditure from contributions from the revenue fund or contributions from reserves and reserve funds. In small municipalities even the reserves and reserve funds were originally generated from the revenue fund. Table 3-4 compares groups of municipalities classified by size and status. The classification included status because lower tier municipalities in Metro Toronto and other regions are prohibited from borrowing directly in the market. Instead, their upper tier counterparts borrow on their behalf. As a result, lower tier municipalities in regions can use the upper tier's credit rating and staff expertise. In counties and districts, there are no similar benefits for small municipalities. Generally, Table 3-4 shows for municipalities in counties and districts that the smaller the municipality, the greater the reliance on contributions from the revenue fund and the smaller the reliance on long term borrowing.

In order to provide an additional borrowing source for small municipalities, the Province operates the Ontario Municipal Improvement Corporation (see p. 16).

## The Impact of Changes in Interest Rates

Depending on a number of factors, municipalities may choose to borrow in order to finance part of their capital expenditures. In the short term municipalities may defer long term borrowing in the hope that market interest rates for long term borrowing will decline. In the long term, if interest rates continue an upward trend, municipalities may through a fixed mill rate policy reduce their overall dependence on long term borrowing.

Table 3-5 shows that where from year to year interest rates declined, borrowing increased. Only in 1977 did both borrowing and interest rates decrease. This exception was due mainly to the substantial amount of borrowing which occurred in 1976. The amount borrowed in 1977 was higher than that borrowed in any year since 1970 except 1976. In addition, as interest rates continued to climb since 1970, the level of contributions to the capital fund from the revenue fund also increased. It appears that higher interest rates caused an increased reliance by the municipal sector on the use of contributions from the revenue fund as a source of capital financing.

Composition of Municipal Capital Financing by Size and Type of Municipality

Table 3-4

	As a Percentage of Net Total Finance				
	Contributions from Revenue Fund %	Contributions from Reserves & Reserve Funds %	Borrowing %	Other Revenue %	Lot Levies* %
<i>METRO TORONTO</i>					
Upper Tier	31.1	1.5	44.5	22.9	0
Lower Tier	20.4	37.2	20.5	21.9	9.3
<i>REGIONS</i>					
Upper Tiers	22.2	18.8	44.9	14.1	6.4
Lower Tiers					
100,000 and over	11.5	36.8	35.6	16.2	26.4
50,000-99,999	25.0	46.6	12.7	15.8	25.2
25,000-49,999	27.1	31.4	13.9	27.6	17.7
10,000-24,999	43.1	26.3	7.6	23.0	22.1
5,000-9,999	36.2	15.2	22.0	26.6	6.7
2,500-4,999	85.4	10.4	0	4.2	7.5
under 2,500	36.0	46.4	0	17.5	1.5
<i>COUNTIES</i>					
Upper Tiers	89.1	3.7	6.5	0.8	0
Lower Tiers					
100,000 and over	13.8	16.0	50.2	20.0	3.6
50,000-99,999	29.5	10.4	45.9	14.3	6.8
25,000-49,999	27.2	14.2	46.1	12.5	2.7
10,000-24,999	33.9	23.9	28.7	13.5	14.8
5,000-9,999	48.9	20.3	12.0	18.7	4.6
2,500-4,999	49.1	8.1	16.5	26.3	2.4
1,000-2,499	51.4	4.5	11.2	32.9	0.6
under 1,000	50.6	7.3	7.9	34.2	1.1
<i>DISTRICTS</i>					
Lower Tiers					
100,000 and over	18.3	22.8	41.9	17.0	0
50,000-99,999	20.8	4.1	66.6	8.4	0.1
25,000-49,999	11.6	43.8	15.3	29.3	5.4
10,000-24,999	24.7	11.4	2.8	61.0	0.0
5,000-9,999	39.2	16.4	18.3	26.0	0.1
2,500-4,999	51.6	15.6	0.5	32.2	0.2
1,000-2,499	54.9	14.5	6.9	23.7	0.2
under 1,000	48.1	11.4	9.0	31.5	0.5

\*Included in contributions from reserves and reserve funds.

Comparison of Changes in Long Term Interest Rates, Long Term Borrowing and Contributions from the Revenue Fund

Table 3-5

	Long Term Borrowing % Change	Contributions from Revenue Fund % Change	Annual Average Long Term Municipal Interest Rates % Change	Annual Average Long Term Municipal Interest Rates Year	%
1971/70	16.0	17.8	- 12.1	1970	9.44
1972/71	-0.1	19.8	0.6	1971	8.30
1973/72	13.4	6.8	2.3	1972	8.35
1974/73	1.6	13.6	19.6	1973	8.54
1975/74	30.4	48.8	4.8	1974	10.21
1976/75	66.9	6.5	- 2.9	1975	10.70
1977/76	- 14.7	- 2.0	- 6.5	1976	10.39
1978/77	- 47.0	8.2	3.6	1977	9.71
				1978	10.06

## Chapter 4

# Impact of Own Source Capital Financing on Overall Operations

Long term borrowing, contributions from the revenue fund and contributions from reserves and reserve funds, to the extent they are generated originally from the revenue fund, all have a direct impact on the operating accounts of municipalities. Long term borrowing in one year results in debt charge payments in subsequent years. Contributions from the revenue fund impact on the operating account during the year while contributions from reserves and reserve funds, subject to the constraint mentioned above, have an impact in the years before the funds are actually used for a capital project.

In 1978, payments on debt charges, transfers to the capital fund, and transfers to reserve funds were 18.7 per cent of revenue fund expenditure by all municipalities. This was the highest level over the 1975 to 1978 period. Debt charges reached 10.1 per cent of revenue fund expenditure in 1977 and stayed at that level in 1978. Contributions to the capital fund remained relatively stable ranging from 5.5 per cent in 1975 to 5.0 per cent in 1978. Contributions to reserves and reserve funds had the highest rate of change moving from 2.8 per cent in 1975 and 1976 to 3.6 per cent in 1978. In summary, revenue fund contributions for capital purposes have increased as a proportion of the total operating budget over the 1975 to 1978 period.

Revenue Fund Expenditures for Capital Purposes as a  
Percentage of Revenue Fund Expenditures

Table 4-1

	1975 %	1977 %	1978 %
Debt Charges	9.8	10.1	10.1
Contributions to Capital Fund	5.5	5.1	5.0
Contributions to Reserves and Reserve Funds	2.8	3.5	3.6
TOTAL	18.1	18.7	18.7

Since municipalities chose different methods to finance their net capital expenditures, the impact of any one method on the revenue fund prevents useful comparison. In 1978 for the six municipal areas, Table 4-2, debt charges ranged from 4.4 per cent of revenue fund expenditure in the rural north to 12.0 per cent in Metro Toronto. Contributions to the capital fund had the same range but the converse applied with a high in the rural north of 10.5 per cent of revenue fund expenditure to a low in Metro Toronto of 3.3 per cent. Contributions to reserves and reserve funds varied with a high of 5.9 per cent in the northern cities to a low of 2.4 per cent in Metro Toronto.

When all three types of revenue fund expenditure on capital works were combined, the range was much narrower. The lowest was Metro Toronto at 17.1 per cent or 1.0 percentage points less than the average while the high was 19.7 per cent in the regions and rural north, exactly 1 percentage point higher than the average. Therefore, all groups of municipalities had a very similar total contribution to capital.

The above establishes the close similarity of different municipalities' contribution to capital and suggests that in relation to their revenue fund operations, each area makes a comparable effort. Another generally used measure is total contributions to capital per household or per capita. Table 4-3 shows a wide range of variation when using the per

Analysis of Debt Charges and Transfers from the Revenue Fund,  
1978 as a Percentage of Revenue Fund Expenditure

Table 4-2

	Debt Charges %	Contributions to Capital Fund %	Contributions to Reserves & Reserve Funds %	Total %
Metro Toronto	12.0	3.3	2.4	17.7
Regions	10.1	4.8	4.8	19.7
Cities South	11.0	4.6	2.8	18.4
Cities North	8.4	4.9	5.9	19.2
Rural South	6.3	9.2	2.9	18.4
Rural North	4.4	10.5	4.8	19.7
Province	10.1	5.0	3.6	18.7

household measure. For instance, among the municipal groups, the total contribution per household to capital is highest in Metro Toronto at \$320 while the lowest is one-half of that at \$159 in the rural south. There were a number of reasons for this variation but the primary one was the number and level of services provided and the resulting capital

Analysis of Debt Charges and Transfers from the Revenue Fund  
1978 Per Household

Table 4-3

	Debt Charges \$	Contributions to Capital Fund \$	Contributions to Reserves & Reserve Funds \$	Total \$
Metro Toronto	217	59	44	320
Regions	134	64	64	262
Cities South	131	56	34	221
Cities North	132	78	93	303
Rural South	55	79	25	159
Rural North	50	113	54	217
Province	136	67	48	251

component. On the first reason, Metro Toronto provided a transit service which, even after the application of provincial grants, had a substantial own source contribution to capital. The rural south had no comparable service. The second main reason was the varying assessment mixes of municipalities. Municipalities provided services to both residential and commercial assessment. A per capita or per household measure was biased among municipalities by the amount of commercial assessment in each which had to be serviced.

As a first step in eliminating the effects of different assessment mixes, Table 4-4 provides what the actual burden of contributions to capital was for an average residential taxpayer in each municipal category.

Impact of Debt Charges and Transfers to Own Funds  
on an Average Residence

Table 4-4

	Debt Charges \$	Contributions to Capital Fund \$	Contributions to Reserves & Reserve Funds \$	Total \$
Metro Toronto	52	14	11	77
Regions	41	19	20	80
Cities South	39	17	10	66
Cities North	26	15	18	59
Rural South	18	25	8	51
Rural North	9	21	10	40
Province	37	19	13	69



Table 4-4 shows that in terms of what an average residential taxpayer contributed, the regions were the highest at \$80 while the rural north was the lowest at \$40. The reason why the rural north and rural south dropped so drastically in relative position was the impact of higher unconditional grants. The regions, which had generally the highest growth municipalities in the province, required substantial additional capital facilities.

As a means of negating the impact of availability of different services and different service levels, the average residential contribution had been compared to average residential taxes. Generally, more services and higher service levels generated higher contributions to capital as well as requiring higher taxes. As Table 4-5 illustrates, as a percentage of average taxes per household, contributions to capital fell in a very narrow range among municipalities. For all municipalities in the province for each dollar paid by an average residential taxpayer 11.4 cents were contributed to capital. In Metro Toronto, it was 9.9 cents on the dollar while it was 14.4 cents on the dollar in the rural north.

Generally, the level of contribution by residential taxpayers to capital was higher in rural areas than in urban areas. Though calculating the residential share eliminated the level of contribution by commercial assessment, it did not take into account the relative amount of cost of a facility which may be used by commercial versus residential assessment. It only considers the basis of repayment. The capital costs associated with residential assessment were generally higher than that for commercial assessment. For each tax

Residential Share of Debt Charges and Transfers to Own Funds as a Percentage of Average Residential Taxes Per Household Table 4-5

	Debt Charges %	Contributions to Capital Fund %	Contributions to Reserves %	Total %
Metro Toronto	6.7	1.8	1.4	9.9
Regions	6.1	2.8	3.0	11.9
Cities South	6.9	3.0	1.8	11.7
Cities North	5.4	3.1	3.7	12.2
Rural South	4.7	6.5	2.1	13.2
Rural North	3.2	7.6	3.6	14.4
Province	6.1	3.1	2.1	11.4

dollar raised from commercial assessment not all was used for servicing that assessment directly. In the case of residential assessment, more than the taxes raised were required for servicing. As a result, the municipalities with high level of commercial assessment generated internally a higher level of subsidy to residential assessment and as a result showed lower contributions to capital by individual residential taxpayers.

The Resource Equalization Grant was intended in part to subsidize the assessment deficiencies where commercial assessment as a proportion of total assessment was low. In this case, there could have been a bonus to a municipality in that the municipality did not have to service the grant. However, the grant did not cover the full assessment deficiency since there was an upper limit on the grant rate of 25 per cent.

As a final point, although the rural municipalities did not provide the range of services as did urban municipalities, the services provided such as roads, were primarily capital intensive. As a result, because of the services provided, the municipal capital share was higher in rural areas.

### Summary

There were a number of interdependent reasons why municipalities had different levels of contributions to capital. This report has discussed the primary reasons and their relationships. Some choices as to what instrument to use in financing capital can be

made in the long run. However, in the short term, municipalities generally chose a particular instrument to minimize the burden to their taxpayers within the constraints that applied.

In comparing the level of capital contribution among municipalities, it was essential that the contributions through debt charges, direct transfers to the capital fund and contributions to reserves and reserve funds be considered. Though these were different instruments, a municipality usually had the choice of which one to use, but one instrument was no less important than another in the overall ability to finance capital facilities.



## Appendix A

### DETAILED MUNICIPAL FINANCIAL DATA BY UPPER TIER

Table 1:	Demographics
Table 2:	Municipal—Revenue fund revenues
Table 3:	Municipal—Revenue fund expenditures
Table 4:	Municipal—Capital fund financing
Table 5:	Municipal—Capital fund applications
Table 6:	School Boards—Revenue fund revenues
Table 7:	School Boards—Revenue fund expenditures
Table 8:	School Boards—Capital fund
Table 9:	Local Government Debt





	No. of Municipalities	Population			
		Total	0-19	20-65	66+
<i>Regions</i>			%	%	%
Metropolitan Toronto	7	2,129,171	28.2	62.0	9.8
Durham	9	265,538	35.5	57.6	7.0
Haldimand-Norfolk	7	86,668	33.7	54.9	11.4
Halton	5	234,892	35.4	58.5	6.0
Hamilton-Wentworth	7	407,887	31.0	59.1	9.9
Niagara	13	367,317	33.0	57.1	9.9
Ottawa-Carleton	12	534,941	30.5	61.5	8.0
Peel	4	421,618	37.0	58.7	4.3
Sudbury	8	163,651	38.0	56.7	5.3
Waterloo	8	297,116	33.8	58.2	8.1
York	10	213,657	35.0	57.9	7.1
Muskoka	7	35,925	30.2	56.0	13.8
Oxford	9	84,539	33.8	55.2	11.0
<i>Total</i>	106	5,242,920	31.5	59.9	8.6
<i>Counties</i>					
Brant	8	97,667	33.0	56.6	10.3
Bruce	32	58,121	34.7	53.4	11.9
Dufferin	10	30,078	36.8	54.3	8.9
Elgin	18	69,235	34.1	54.4	11.6
Essex	24	314,102	33.9	56.1	9.9
Frontenac	17	114,219	32.3	58.7	9.0
Grey	28	72,576	32.3	54.4	13.3
Haliburton	11	10,681	28.6	55.1	16.3
Hastings	30	104,190	33.8	56.1	10.1
Huron	27	55,846	34.5	52.8	12.7
Kent	23	106,505	34.0	55.1	10.9
Lambton	22	120,070	33.9	57.3	8.8
Lanark	18	45,115	30.8	56.0	13.3
Leeds and Grenville	26	80,124	32.4	55.9	11.8
Lennox and Addington	14	33,116	35.2	54.6	10.2
Middlesex	24	315,945	31.6	59.4	9.0
Northumberland	16	63,795	32.4	55.6	12.0
Perth	17	66,522	33.9	54.1	11.9
Peterborough	20	98,850	32.2	56.9	10.9
Prescott and Russell	19	51,415	36.2	54.9	8.9
Prince Edward	11	21,993	31.2	55.5	13.3
Renfrew	38	87,707	34.3	54.5	11.1
Simcoe	36	215,855	33.7	56.1	10.1
Stormont, Dundas and Glengarry	22	99,761	33.9	54.9	11.2
Victoria	19	45,986	31.5	54.9	13.6
Wellington	23	128,582	33.4	57.1	9.6
<i>Total</i>	553	2,508,056	33.3	56.2	10.5
<i>Districts</i>					
Algoma	23	115,793	36.9	56.4	6.7
Cochrane	14	86,886	37.9	54.6	7.5
Kenora	13	36,560	35.4	56.6	8.0
Manitoulin	13	7,180	32.8	51.2	15.9
Nipissing	16	74,160	37.0	54.6	8.3
Parry Sound	27	26,814	32.3	54.2	13.4
Rainy River	15	21,244	35.7	54.0	10.3
Sudbury	11	19,193	39.6	53.6	6.8
Thunder Bay	19	140,637	33.1	58.1	8.8
Timiskaming	26	39,040	35.8	53.2	11.0
<i>Total</i>	177	567,507	35.7	55.8	8.5
PROVINCIAL TOTAL	836	8,318,483	32.3	58.5	9.2

	Households			Square Miles	
	Total	% Permanent	Pop. Perm. Hshld.	Total	Pop. Sq. Mile
<i>Regions</i>					
Metropolitan Toronto	793,497	100.0	2.7	243.3	8,752
Durham	91,757	97.7	3.0	959.9	277
Haldimand-Norfolk	34,957	87.1	2.8	1,110.9	78
Halton	77,120	99.9	3.0	370.1	635
Hamilton-Wentworth	152,763	99.9	2.7	429.7	949
Niagara	133,692	97.6	2.8	714.6	514
Ottawa-Carleton	202,692	99.2	2.7	1,064.5	503
Peel	135,203	100.0	3.1	473.2	891
Sudbury	55,124	96.5	3.1	1,006.6	163
Waterloo	106,322	99.9	2.8	525.3	566
York	70,575	95.6	3.2	672.2	318
Muskoka	32,681	41.7	2.6	1,542.6	23
Oxford	29,302	99.7	2.9	783.8	108
<i>Total</i>	1,915,685	98.1	2.8	9,896.8	530
<i>Counties</i>					
Brant	35,801	100.0	2.7	353.9	276
Bruce	29,207	72.9	2.7	1,521.5	38
Dufferin	10,734	93.7	3.0	575.1	52
Elgin	25,202	96.4	2.8	725.8	95
Essex	112,608	99.6	2.8	718.9	437
Frontenac	46,781	86.1	2.8	1,474.8	77
Grey	32,249	87.4	2.6	1,739.3	42
Haliburton	16,201	26.6	2.5	1,609.6	7
Hastings	42,894	87.8	2.8	2,266.3	46
Huron	22,556	86.6	2.9	1,313.8	43
Kent	38,855	97.2	2.8	958.0	111
Lambton	45,646	95.0	2.8	1,093.0	110
Lanark	19,744	80.1	2.9	1,134.7	40
Leeds and Grenville	34,094	83.5	2.8	1,308.9	61
Lennox and Addington	13,721	83.8	2.9	1,096.8	30
Middlesex	118,347	100.0	2.7	1,269.6	249
Northumberland	26,337	86.9	2.8	808.2	79
Perth	23,166	99.8	2.9	845.6	79
Peterborough	47,993	75.8	2.7	1,522.2	65
Prescott and Russell	16,900	95.7	3.2	773.3	66
Prince Edward	9,637	84.3	2.7	404.7	54
Renfrew	35,340	85.1	2.9	2,949.3	30
Simcoe	94,280	84.2	2.7	1,853.3	116
Stormont, Dundas and Glengarry	35,506	97.4	2.9	1,271.6	78
Victoria	25,498	69.9	2.6	1,184.1	39
Wellington	45,855	97.6	2.9	1,026.7	125
<i>Total</i>	1,005,152	89.8	2.8	31,799.1	79
<i>Districts</i>					
Algoma	40,859	93.5	3.0	1,350.1	86
Cochrane	30,327	95.6	3.0	3,129.6	28
Kenora	13,734	92.1	2.9	641.5	57
Manitoulin	4,027	69.0	2.6	635.7	11
Nipissing	26,662	92.8	3.0	1,053.4	70
Parry Sound	17,447	57.3	2.7	1,365.9	20
Rainy River	7,733	96.8	2.8	911.3	23
Sudbury	6,816	90.1	3.1	582.9	33
Thunder Bay	50,089	97.5	2.9	1,439.0	98
Timiskaming	14,418	97.4	2.8	1,128.9	35
<i>Total</i>	212,112	91.4	2.9	12,238.2	46
PROVINCIAL TOTAL	3,132,949	95.0	2.8	53,934.2	154

	Assessment		
	Equalized	Residential	Equalized Per Household
		Total	
	\$000	%	\$
<i>Regions</i>			
Metropolitan Toronto	28,710,380	55.4	36,182
Durham	2,609,525	73.2	28,440
Haldimand-Norfolk	931,858	80.2	26,657
Halton	2,549,155	73.5	33,054
Hamilton-Wentworth	4,061,799	61.6	26,589
Niagara	3,388,927	65.0	25,349
Ottawa-Carleton	4,788,056	69.0	23,622
Peel	5,296,971	70.4	39,178
Sudbury	1,444,317	59.8	26,201
Waterloo	2,865,868	64.8	26,955
York	2,828,243	75.7	40,074
Muskoka	607,716	84.6	18,595
Oxford	819,921	67.4	27,982
<i>Total</i>	60,902,736	62.6	31,792
<i>Counties</i>			
Brant	868,504	66.1	24,259
Bruce	424,230	88.2	14,525
Dufferin	327,279	84.3	30,490
Elgin	621,643	69.8	24,666
Essex	3,165,799	65.6	28,113
Frontenac	890,953	70.2	19,045
Grey	615,811	77.2	19,096
Haliburton	161,592	91.4	9,974
Hastings	723,968	69.0	16,878
Huron	406,539	82.6	18,024
Kent	910,344	71.9	23,429
Lambton	1,415,596	63.4	31,012
Lanark	268,077	74.9	13,578
Leeds and Grenville	579,389	65.2	16,994
Lennox and Addington	237,695	73.1	17,323
Middlesex	2,727,449	68.6	23,046
Northumberland	543,988	76.1	20,655
Perth	532,027	72.8	22,966
Peterborough	969,855	74.3	20,208
Prescott and Russell	250,241	71.7	14,807
Prince Edward	152,322	81.6	15,806
Renfrew	476,246	72.4	13,476
Simcoe	2,074,986	75.5	22,009
Stormont, Dundas and Glengarry	637,462	62.9	17,954
Victoria	417,111	87.5	16,359
Wellington	1,207,020	74.9	26,323
<i>Total</i>	21,606,126	71.3	21,495
<i>Districts</i>			
Algoma	829,977	58.2	20,313
Cochrane	612,817	41.6	20,207
Kenora	272,576	45.9	19,847
Manitoulin	52,982	83.7	13,157
Nipissing	512,539	61.7	19,224
Parry Sound	246,502	83.5	14,129
Rainy River	122,089	46.0	15,788
Sudbury	108,163	50.6	15,869
Thunder Bay	1,065,304	48.6	21,268
Timiskaming	183,449	59.2	12,724
<i>Total</i>	4,006,398	54.1	18,888
PROVINCIAL TOTAL	86,515,260	64.4	27,615



	Taxation (Municipal)				
	Res. and Farm	Comm., Ind. and Business	Special Charges	Sewer Surcharge on Direct Water Billings	Total
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	292,849	305,403	11,930	14,460	624,643
Durham	32,115	15,768	1,899	5,417	55,198
Haldimand-Norfolk	8,599	2,834	782	1,384	13,598
Halton	30,187	13,487	1,937	277	45,888
Hamilton-Wentworth	51,947	40,139	3,038	11,132	106,256
Niagara	43,900	29,421	2,979	1,055	77,356
Ottawa-Carleton	71,289	40,447	7,538	5,118	124,393
Peel	46,207	23,513	3,187	10,729	83,636
Sudbury	16,360	14,918	1,799	0	33,077
Waterloo	34,132	22,164	2,138	4,487	62,921
York	24,884	10,128	2,893	1,075	38,981
Muskoka	4,775	1,167	500	327	6,769
Oxford	8,080	5,649	764	477	14,970
<i>Total</i>	665,324	525,038	41,386	55,938	1,287,686
<i>Counties</i>					
Brant	9,869	6,516	970	1,050	18,405
Bruce	6,166	1,142	953	192	8,453
Dufferin	2,649	744	221	151	3,765
Elgin	5,428	3,150	886	206	9,670
Essex	36,279	25,891	3,619	928	66,717
Frontenac	10,040	5,042	977	269	16,328
Grey	6,581	3,152	916	420	11,069
Haliburton	1,706	194	112	0	2,011
Hastings	7,773	5,288	954	1,405	15,421
Huron	5,267	1,683	458	590	7,997
Kent	10,491	6,087	2,051	1,029	19,659
Lambton	13,415	9,186	2,054	627	25,282
Lanark	3,302	1,611	280	205	5,399
Leeds and Grenville	5,112	3,840	409	326	9,687
Lennox and Addington	2,057	954	218	269	3,497
Middlesex	33,745	19,412	2,454	53	55,664
Northumberland	4,574	2,327	518	540	7,959
Perth	6,135	3,467	596	646	10,844
Peterborough	10,473	5,636	859	245	17,213
Prescott and Russell	3,917	1,824	649	209	6,599
Prince Edward	1,386	455	139	28	2,009
Renfrew	5,079	3,053	899	535	9,566
Simcoe	18,697	9,425	2,251	1,860	32,233
Stormont, Dundas and Glengarry	7,615	5,940	912	687	15,154
Victoria	4,226	1,190	351	88	5,855
Wellington	12,355	5,687	796	1,230	20,068
<i>Total</i>	234,336	132,896	25,502	13,789	406,522
<i>Districts</i>					
Algoma	9,529	8,356	1,274	570	19,729
Cochrane	4,984	5,747	553	299	11,583
Kenora	2,422	3,382	409	335	6,547
Manitoulin	577	133	55	16	780
Nipissing	5,135	3,687	732	1,013	10,568
Parry Sound	2,115	564	532	173	3,384
Rainy River	1,254	1,863	233	116	3,466
Sudbury	1,010	973	105	69	2,157
Thunder Bay	11,978	14,620	781	231	27,611
Timiskaming	2,642	1,879	545	129	5,195
<i>Total</i>	41,647	41,204	5,218	2,951	91,020
PROVINCIAL TOTAL	941,307	699,139	72,106	72,678	1,785,228

# Revenue Fund – Revenues

Table 2  
(Cont.)

	Provincial Assistance			Other Revenue	
	Ontario Unconditional Grants	Conditional Grants	Ontario P-I-L Total	Canada P-I-L	Mun. P-I-L
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	100,166	218,388	41,865	10,839	11,471
Durham	14,155	22,370	1,235	262	362
Haldimand-Norfolk	4,132	7,658	409	99	77
Halton	10,162	13,725	827	375	184
Hamilton-Wentworth	23,843	41,549	2,842	854	1,211
Niagara	21,326	30,499	2,688	1,586	465
Ottawa-Carleton	29,182	59,484	4,486	35,781	1,926
Peel	16,136	23,375	2,260	3,203	232
Sudbury	20,864	17,364	1,044	184	130
Waterloo	15,936	21,731	1,945	241	539
York	9,134	15,069	386	88	172
Muskoka	1,411	5,543	104	33	9
Oxford	3,877	6,095	200	59	92
<i>Total</i>	270,325	482,850	60,292	53,606	16,871
<i>Counties</i>					
Brant	5,444	9,766	304	147	243
Bruce	3,603	7,704	326	33	17
Dufferin	865	3,314	170	9	6
Elgin	3,390	7,444	307	59	33
Essex	11,720	23,122	1,999	770	915
Frontenac	5,088	10,994	997	1,208	315
Grey	3,559	9,715	289	134	66
Haliburton	555	2,471	116	2	5
Hastings	5,941	12,334	552	306	146
Huron	3,345	7,206	197	34	27
Kent	6,855	8,008	329	108	162
Lambton	4,430	12,142	595	166	124
Lanark	2,644	6,554	183	71	36
Leeds and Grenville	3,668	7,329	258	291	19
Lennox and Addington	1,177	3,867	203	233	23
Middlesex	15,977	25,789	2,618	1,252	263
Northumberland	2,518	7,387	232	550	39
Perth	3,680	6,066	213	76	62
Peterborough	3,839	9,609	496	243	39
Prescott and Russell	2,822	6,349	116	21	25
Prince Edward	1,015	1,935	72	15	17
Renfrew	4,468	10,485	404	964	60
Simcoe	8,023	13,786	744	325	129
Stormont, Dundas and Glengarry	6,572	11,197	573	371	176
Victoria	2,202	4,541	217	51	0
Wellington	4,711	13,102	860	128	128
<i>Total</i>	118,114	242,216	13,368	7,566	3,073
<i>Districts</i>					
Algoma	14,568	11,984	463	475	185
Cochrane	10,722	10,089	617	139	24
Kenora	4,169	5,672	253	195	27
Manitoulin	693	1,422	27	8	0
Nipissing	8,450	7,418	494	422	61
Parry Sound	2,337	3,634	52	12	4
Rainy River	2,803	2,494	126	24	14
Sudbury	1,591	1,202	52	8	2
Thunder Bay	20,043	15,637	1,247	396	598
Timiskaming	5,465	4,739	504	53	4
<i>Total</i>	70,840	64,294	3,837	1,733	918
PROVINCIAL TOTAL	459,279	789,360	77,497	62,904	20,863

## Revenue Fund – Revenues

Table 2  
(Concluded)

	Other Revenue (Cont.)				
	Fees and Service Charges				Total Revenue
	Transit	Water	Homes For Aged	Misc. Revenues	
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	163,302	71,796	21,294	215,645	1,479,408
Durham	1,459	5,946	3,030	16,807	120,824
Haldimand-Norfolk	0	1,406	1,635	4,317	33,331
Halton	1,340	4,813	1,354	9,041	87,709
Hamilton-Wentworth	0	12,392	149	24,947	214,044
Niagara	2,772	10,621	3,437	18,142	168,891
Ottawa-Carleton	23,330	11,283	2,427	42,704	334,996
Peel	4,516	12,842	2,181	19,734	168,117
Sudbury	1,780	2,611	1,057	12,225	90,336
Waterloo	3,397	6,188	1,323	34,375	148,596
York	513	5,619	841	16,406	87,206
Muskoka	0	641	408	1,857	16,774
Oxford	123	1,913	1,166	3,441	31,936
<i>Total</i>	202,531	148,070	40,301	419,640	2,982,173
<i>Counties</i>					
Brant	730	2,585	1,456	5,434	44,512
Bruce	0	840	992	3,427	25,395
Dufferin	0	236	661	1,432	10,458
Elgin	155	1,398	1,749	2,551	26,756
Essex	3,354	8,745	2,202	16,442	135,987
Frontenac	1,078	2,198	1,241	5,603	45,050
Grey	131	1,185	940	3,448	30,537
Haliburton	0	20	250	567	5,999
Hastings	416	2,642	1,210	4,776	43,743
Huron	0	961	1,242	3,416	24,424
Kent	206	3,248	1,252	4,930	44,756
Lambton	554	4,145	1,562	7,751	56,752
Lanark	0	898	1,140	1,964	18,889
Leeds and Grenville	0	1,420	1,123	3,022	26,818
Lennox and Addington	0	402	591	1,512	11,505
Middlesex	5,538	7,492	2,393	11,047	128,032
Northumberland	33	1,402	715	2,838	23,673
Perth	0	1,009	649	4,099	26,699
Peterborough	0	1,947	1,034	4,535	38,954
Prescott and Russell	0	789	458	2,810	19,989
Prince Edward	0	358	310	510	6,241
Renfrew	37	1,624	1,622	3,404	32,634
Simcoe	422	3,511	1,633	9,474	70,280
Stormont, Dundas and Glengarry	645	2,371	756	5,357	43,172
Victoria	50	538	670	1,945	16,069
Wellington	1,347	1,898	671	5,646	48,559
<i>Total</i>	14,697	53,862	28,526	117,938	1,005,883
<i>Districts</i>					
Algoma	921	2,219	1,135	5,815	57,495
Cochrane	533	2,074	1,066	4,039	40,886
Kenora	13	1,090	723	3,753	22,442
Manitoulin	0	81	241	442	3,695
Nipissing	631	1,231	1,196	3,618	34,090
Parry Sound	1	335	349	1,305	11,413
Rainy River	17	441	552	2,010	11,947
Sudbury	0	241	0	859	6,113
Thunder Bay	1,711	3,333	2,609	6,794	79,979
Timiskaming	0	733	260	2,378	19,332
<i>Total</i>	3,826	11,778	8,132	31,014	287,393
<b>PROVINCIAL TOTAL</b>	<b>221,054</b>	<b>213,710</b>	<b>76,959</b>	<b>568,591</b>	<b>4,275,448</b>

## Revenue Fund – Expenditures

Table 3

	General Government	Protection to Persons and Property		
		Fire	Police	Other
<i>Regions</i>	\$000	\$000	\$000	\$000
Metropolitan Toronto	132,231	80,976	171,273	30,147
Durham	12,802	7,686	11,467	3,895
Haldimand-Norfolk	3,501	1,235	2,540	1,294
Halton	8,116	4,568	9,133	4,071
Hamilton-Wentworth	18,868	12,601	24,565	4,879
Niagara	13,865	9,062	17,952	2,494
Ottawa-Carleton	40,697	19,777	26,843	5,669
Peel	15,530	10,921	19,247	6,523
Sudbury	13,207	3,509	7,182	1,790
Waterloo	27,573	10,377	14,398	4,945
York	8,498	3,433	9,104	3,171
Muskoka	1,955	462	0	226
Oxford	3,161	1,671	2,391	691
<i>Total</i>	300,004	166,277	316,092	69,798
<i>Counties</i>				
Brant	4,183	3,079	4,132	1,440
Bruce	2,927	691	937	775
Dufferin	1,087	290	667	284
Elgin	2,552	1,264	1,476	736
Essex	13,189	8,483	15,154	2,714
Frontenac	4,163	3,047	3,215	976
Grey	2,773	1,471	1,381	1,336
Haliburton	747	159	0	89
Hastings	3,310	2,414	3,005	1,334
Huron	2,557	605	839	963
Kent	5,293	2,116	3,074	1,645
Lambton	5,037	3,028	3,707	2,350
Lanark	1,917	745	942	263
Leeds and Grenville	2,713	1,311	1,682	532
Lennox and Addington	1,203	414	226	476
Middlesex	12,081	8,497	11,663	3,161
Northumberland	2,554	625	1,057	857
Perth	2,503	1,676	1,886	755
Peterborough	4,762	2,706	2,975	951
Prescott and Russell	2,722	532	406	342
Prince Edward	727	259	241	196
Renfrew	3,401	1,469	1,508	166
Simcoe	8,893	3,419	4,748	1,605
Stormont, Dundas and Glengarry	3,962	1,686	2,205	1,295
Victoria	1,593	527	650	247
Wellington	4,321	3,120	3,717	1,923
<i>Total</i>	101,168	53,634	71,491	27,412
<i>Districts</i>				
Algoma	6,320	3,454	4,665	1,595
Cochrane	4,114	2,190	2,614	1,080
Kenora	2,177	795	1,075	159
Manitoulin	568	105	0	41
Nipissing	3,208	2,172	3,440	555
Parry Sound	1,329	355	223	100
Rainy River	1,337	406	1,066	42
Sudbury	1,076	205	265	57
Thunder Bay	6,466	5,250	6,113	940
Timiskaming	2,140	837	784	120
<i>Total</i>	28,736	15,768	20,245	4,688
PROVINCIAL TOTAL	429,908	235,678	407,829	101,897



## Revenue Fund—Expenditures

Table 3  
(Cont.)

	Transportation Services		
	Roads	Transit	Other
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	112,617	256,635	22,612
Durham	19,131	3,065	2,779
Haldimand-Norfolk	9,408	0	395
Halton	15,768	3,238	1,073
Hamilton-Wentworth	30,621	9,294	4,417
Niagara	29,147	4,856	2,883
Ottawa-Carleton	50,283	44,605	4,479
Peel	23,782	9,463	2,231
Sudbury	14,247	3,711	1,996
Waterloo	17,531	7,529	3,114
York	17,721	1,513	844
Muskoka	6,719	0	143
Oxford	7,785	375	1,082
<i>Total</i>	354,761	344,283	48,049
<i>Counties</i>			
Brant	7,946	1,462	461
Bruce	8,644	3	386
Dufferin	3,171	0	184
Elgin	7,598	340	459
Essex	20,664	5,649	3,720
Frontenac	8,203	2,151	1,043
Grey	9,306	149	403
Haliburton	2,530	0	32
Hastings	10,202	697	751
Huron	7,683	0	420
Kent	9,751	608	1,465
Lambton	11,270	1,453	961
Lanark	5,448	0	656
Leeds and Grenville	7,381	0	365
Lennox and Addington	3,549	0	433
Middlesex	18,971	8,726	1,943
Northumberland	6,399	110	400
Perth	7,263	357	383
Peterborough	8,374	978	885
Prescott and Russell	6,010	0	183
Prince Edward	1,758	0	68
Renfrew	8,510	87	662
Simcoe	15,627	1,084	1,552
Stormont, Dundas and Glengarry	10,924	1,423	618
Victoria	5,037	144	221
Wellington	10,994	1,641	910
<i>Total</i>	223,211	27,062	19,566
<i>Districts</i>			
Algoma	9,634	2,369	1,209
Cochrane	7,530	1,187	994
Kenora	3,340	0	854
Manitoulin	1,007	0	58
Nipissing	5,998	1,185	654
Parry Sound	3,390	4	126
Rainy River	2,432	90	374
Sudbury	1,503	0	95
Thunder Bay	10,786	4,715	2,017
Timiskaming	5,102	121	391
<i>Total</i>	50,721	9,670	6,772
PROVINCIAL TOTAL	628,693	381,016	74,387

# Revenue Fund – Expenditures

Table 3  
(Cont.)

	Environment Services				Health Services
	Sewers	Water	Solid Waste	Other	
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	72,202	69,371	50,024	18	41,982
Durham	8,052	7,188	3,358	873	2,374
Haldimand-Norfolk	2,192	1,553	788	0	1,431
Halton	7,676	5,599	2,416	0	3,734
Hamilton-Wentworth	15,926	13,510	8,677	840	6,368
Niagara	15,278	11,419	4,938	58	4,295
Ottawa-Carleton	19,905	16,429	4,783	315	9,731
Peel	15,372	13,882	4,665	579	3,712
Sudbury	7,793	5,800	1,972	14	3,510
Waterloo	7,670	6,725	3,307	222	4,362
York	3,395	4,421	2,279	4,841	2,973
Muskoka	1,114	826	581	0	705
Oxford	1,878	1,743	844	0	1,169
<i>Total</i>	178,454	158,466	88,632	7,759	86,347
<i>Counties</i>					
Brant	1,542	2,725	731	1,187	1,150
Bruce	919	1,420	725	0	812
Dufferin	466	277	213	18	122
Elgin	915	1,636	616	298	382
Essex	11,697	8,960	4,535	1,003	2,837
Frontenac	2,050	2,788	1,647	0	1,299
Grey	1,151	1,223	880	90	1,218
Haliburton	69	65	81	13	203
Hastings	3,244	3,079	856	18	2,181
Huron	1,207	1,080	379	0	1,102
Kent	3,402	3,619	1,020	7	1,892
Lambton	3,473	4,949	1,175	448	1,077
Lanark	545	1,011	410	141	213
Leeds and Grenville	1,297	1,511	654	286	1,428
Lennox and Addington	365	616	239	22	444
Middlesex	6,218	8,574	4,228	5,741	3,883
Northumberland	1,156	1,883	802	226	1,946
Perth	1,270	1,086	593	1	1,150
Peterborough	2,089	2,927	686	10	1,624
Prescott and Russell	695	951	368	2	190
Prince Edward	196	337	155	2	205
Renfrew	925	1,685	787	482	1,498
Simcoe	4,489	3,965	2,023	1,632	2,841
Stormont, Dundas and Glengarry	2,908	2,219	935	32	1,740
Victoria	464	668	552	154	666
Wellington	2,423	2,035	1,032	5	1,760
<i>Total</i>	55,175	61,290	26,321	11,817	33,860
<i>Districts</i>					
Algoma	4,102	2,733	1,346	40	1,927
Cochrane	2,259	2,478	1,116	52	1,786
Kenora	1,539	1,424	650	62	1,480
Manitoulin	63	86	37	0	31
Nipissing	2,825	1,917	570	13	1,064
Parry Sound	903	392	303	10	479
Rainy River	751	490	194	19	335
Sudbury	305	481	184	24	185
Thunder Bay	4,125	3,417	2,081	122	2,267
Timiskaming	1,559	1,139	414	24	827
<i>Total</i>	18,432	14,557	6,895	366	10,379
PROVINCIAL TOTAL	252,061	234,312	121,848	19,942	130,585

## Revenue Fund— Expenditures

Table 3  
(Cont.)

	Social and Family Services			Recreation and Cultural Services
	General Assistance	Assistance to Aged	Assistance to Children	Parks and Rec.
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	83,039	57,720	58,803	105,080
Durham	8,862	7,928	2,896	11,374
Haldimand-Norfolk	966	3,543	818	2,194
Halton	2,397	4,028	2,377	9,843
Hamilton-Wentworth	21,523	6,235	7,499	12,632
Niagara	10,633	10,699	4,651	10,400
Ottawa-Carleton	19,442	10,911	16,499	26,531
Peel	4,671	5,947	5,821	16,150
Sudbury	6,502	2,431	2,551	10,153
Waterloo	8,355	3,336	4,101	12,008
York	2,071	2,268	2,847	8,073
Muskoka	819	1,164	563	1,239
Oxford	1,359	2,148	828	2,619
<i>Total</i>	170,637	118,361	110,254	228,295
<i>Counties</i>				
Brant	2,568	3,674	1,835	4,792
Bruce	508	2,188	595	2,320
Dufferin	317	1,644	336	866
Elgin	348	3,705	535	1,353
Essex	8,292	5,612	5,743	8,816
Frontenac	3,099	3,812	1,309	4,183
Grey	1,494	1,886	846	2,409
Haliburton	136	738	184	533
Hastings	3,032	2,609	1,213	3,565
Huron	356	2,594	738	1,623
Kent	1,071	2,810	1,397	2,555
Lambton	1,903	4,950	1,257	4,398
Lanark	1,141	2,571	725	1,100
Leeds and Grenville	983	2,299	656	1,875
Lennox and Addington	447	1,163	289	838
Middlesex	7,314	6,955	4,510	6,908
Northumberland	1,387	1,259	593	1,386
Perth	801	1,135	920	2,410
Peterborough	3,057	2,036	886	2,982
Prescott and Russell	2,684	1,079	854	1,752
Prince Edward	178	629	216	279
Renfrew	1,265	4,686	949	3,054
Simcoe	3,117	2,976	1,853	6,048
Stormont, Dundas and Glengarry	2,197	1,799	1,473	3,647
Victoria	529	1,515	313	1,428
Wellington	3,969	1,607	1,280	4,836
<i>Total</i>	52,195	67,930	31,504	75,952
<i>Districts</i>				
Algoma	3,527	4,035	1,766	5,809
Cochrane	2,123	3,656	2,437	3,598
Kenora	521	2,091	2,251	1,646
Manitoulin	72	808	177	347
Nipissing	1,677	2,899	876	3,223
Parry Sound	528	1,150	465	1,037
Rainy River	266	1,680	402	1,155
Sudbury	151	104	299	991
Thunder Bay	4,433	8,406	3,111	8,485
Timiskaming	1,019	771	702	1,839
<i>Total</i>	14,316	25,600	12,488	28,132
PROVINCIAL TOTAL	237,148	211,890	154,246	332,379

Revenue Fund – Expenditures

Table 3  
(Concluded)

	Recreation and Cultural Services (Cont.)		Planning	Total Expenditure	In Year Surplus (Deficit)
	Libraries	Other			
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	46,392	22,047	24,090	1,437,262	42,146
Durham	2,783	386	4,213	121,111	— 287
Haldimand-Norfolk	512	57	1,256	33,684	— 353
Halton	3,008	445	1,783	89,271	— 1,562
Hamilton-Wentworth	5,851	4,116	7,418	215,838	— 1,445
Niagara	4,463	666	4,966	162,725	6,166
Ottawa-Carleton	6,816	689	11,389	335,794	— 790
Peel	5,871	198	3,794	168,358	— 241
Sudbury	1,644	26	2,512	90,549	— 213
Waterloo	3,041	1,841	3,442	143,880	4,716
York	2,802	151	2,263	82,668	4,538
Muskoka	172	80	546	17,312	— 538
Oxford	730	85	1,679	32,237	— 301
<i>Total</i>	84,084	30,788	69,349	2,930,688	51,842
<i>Counties</i>					
Brant	888	17	870	44,683	— 171
Bruce	349	122	751	25,071	324
Dufferin	111	18	352	10,423	35
Elgin	746	54	1,126	26,138	241
Essex	3,743	1,008	3,425	135,246	741
Frontenac	1,023	374	1,502	45,884	— 1,054
Grey	584	311	888	29,800	737
Haliburton	106	17	200	5,902	97
Hastings	719	216	1,367	43,812	— 75
Huron	431	127	1,654	24,360	64
Kent	922	97	2,142	44,885	— 129
Lambton	1,488	491	3,681	57,096	— 344
Lanark	228	46	673	18,774	115
Leeds and Grenville	501	130	894	26,499	319
Lennox and Addington	183	78	392	11,374	131
Middlesex	4,171	1,221	3,423	128,188	— 156
Northumberland	214	25	679	23,555	118
Perth	455	132	2,022	26,796	— 97
Peterborough	517	327	896	39,668	— 714
Prescott and Russell	307	28	623	19,727	262
Prince Edward	107	183	205	5,941	300
Renfrew	448	111	1,079	32,770	— 528
Simcoe	1,435	349	2,944	70,602	— 322
Stormont, Dundas and Glengarry	1,047	132	1,935	42,178	994
Victoria	391	6	562	15,666	403
Wellington	988	560	1,298	48,418	141
<i>Total</i>	22,105	6,180	35,583	1,003,455	1,433
<i>Districts</i>					
Algoma	1,089	220	2,272	58,111	— 616
Cochrane	559	215	834	40,821	65
Kenora	429	54	881	21,428	1,014
Manitoulin	36	107	174	3,717	— 23
Nipissing	513	134	684	33,608	— 14
Parry Sound	130	8	157	11,087	326
Rainy River	284	188	321	11,832	114
Sudbury	162	56	76	6,219	— 106
Thunder Bay	2,212	2,423	3,248	80,617	— 638
Timiskaming	265	163	998	19,216	116
<i>Total</i>	5,678	3,570	9,646	286,657	240
PROVINCIAL TOTAL	111,866	40,538	114,578	4,220,800	53,514

	Own Funds		Own Purpose Borrowing
	Revenue Fund	Reserves and Reserve Funds	
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	46,766	26,773	61,100
Durham	6,676	7,683	13,157
Haldimand-Norfolk	3,217	806	1,621
Halton	6,832	9,316	8,015
Hamilton-Wentworth	11,547	5,814	11,418
Niagara	8,041	4,993	13,559
Ottawa-Carleton	5,939	17,249	14,956
Peel	6,297	22,681	27,549
Sudbury	4,021	1,969	0
Waterloo	5,520	12,789	8,404
York	8,351	7,252	4
Muskoka	1,306	316	1,196
Oxford	3,950	341	5,497
<i>Total</i>	118,462	117,983	166,476
<i>Counties</i>			
Brant	3,594	586	92
Bruce	2,477	723	1,062
Dufferin	353	437	334
Elgin	1,301	403	1,634
Essex	2,968	2,661	11,199
Frontenac	3,208	1,645	3,058
Grey	3,126	242	217
Haliburton	453	102	0
Hastings	2,894	772	2,885
Huron	2,204	240	2,430
Kent	4,835	192	4,961
Lambton	5,636	1,434	8,856
Lanark	1,579	747	1,196
Leeds and Grenville	1,861	59	820
Lennox and Addington	704	363	508
Middlesex	6,432	4,437	12,285
Northumberland	1,816	634	490
Perth	4,931	287	1,176
Peterborough	2,476	1,177	2,381
Prescott and Russell	1,550	634	1,387
Prince Edward	305	0	240
Renfrew	2,449	473	1,605
Simcoe	7,482	3,731	2,898
Stormont, Dundas and Glengarry	2,572	1,423	9,433
Victoria	1,162	1,083	1,193
Wellington	2,246	753	3,984
<i>Total</i>	70,614	25,237	76,324
<i>Districts</i>			
Algoma	4,431	295	5,046
Cochrane	1,648	1,537	632
Kenora	2,100	945	965
Manitoulin	339	38	0
Nipissing	1,606	631	5,291
Parry Sound	716	92	268
Rainy River	1,074	146	514
Sudbury	476	247	60
Thunder Bay	6,208	5,932	10,151
Timiskaming	1,999	1,811	934
<i>Total</i>	20,596	11,673	23,862
PROVINCIAL TOTAL	209,673	154,893	266,661



Capital Fund—Financing

Table 4  
(Concluded)

	Ontario Assistance	Other Sources	Total
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	84,003	40,706	259,348
Durham	10,463	11,630	49,609
Haldimand-Norfolk	3,138	798	9,580
Halton	7,187	6,478	37,827
Hamilton-Wentworth	5,347	4,164	38,290
Niagara	7,677	2,838	37,107
Ottawa-Carleton	23,778	8,182	70,104
Peel	13,149	7,860	77,537
Sudbury	8,680	1,653	16,324
Waterloo	6,918	2,020	35,651
York	8,604	9,759	33,969
Muskoka	2,703	770	6,292
Oxford	3,777	2,338	15,903
<i>Total</i>	185,423	99,197	687,541
<i>Counties</i>			
Brant	3,183	797	8,251
Bruce	1,752	1,411	7,425
Dufferin	627	247	1,998
Elgin	1,999	852	6,189
Essex	8,863	8,238	33,929
Frontenac	3,167	496	11,575
Grey	2,619	328	6,531
Haliburton	1,177	141	1,872
Hastings	4,515	2,110	13,176
Huron	4,480	1,822	11,175
Kent	4,159	1,628	15,774
Lambton	2,412	2,109	20,448
Lanark	1,039	174	4,734
Leeds and Grenville	3,772	1,280	7,792
Lennox and Addington	489	36	2,101
Middlesex	6,302	2,692	32,149
Northumberland	3,986	1,156	8,083
Perth	1,646	1,687	9,728
Peterborough	2,510	1,326	9,869
Prescott and Russell	4,364	322	8,256
Prince Edward	363	45	953
Renfrew	3,648	813	8,989
Simcoe	4,875	2,928	21,915
Stormont, Dundas and Glengarry	6,785	2,376	22,589
Victoria	2,341	334	6,113
Wellington	3,177	1,181	11,341
<i>Total</i>	84,250	36,529	292,957
<i>Districts</i>			
Algoma	2,906	7,235	19,913
Cochrane	6,750	1,683	12,250
Kenora	2,550	2,033	8,593
Manitoulin	1,516	441	2,333
Nipissing	1,395	593	9,516
Parry Sound	1,823	825	3,724
Rainy River	931	351	3,016
Sudbury	1,962	146	2,890
Thunder Bay	8,459	4,753	35,502
Timiskaming	3,021	211	7,976
<i>Total</i>	31,313	18,271	105,715
PROVINCIAL TOTAL	300,986	154,000	1,086,213

# Capital Fund – Applications

Table 5

	General Gov't.	Protection	Transportation Services		
			Roads	Transit	Other
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	7,779	13,263	52,807	62,596	4,558
Durham	1,108	1,711	17,470	992	1,545
Haldimand-Norfolk	872	616	4,643	0	149
Halton	1,984	1,470	11,050	892	382
Hamilton-Wentworth	2,126	676	12,227	144	430
Niagara	597	1,820	14,898	294	222
Ottawa-Carleton	4,878	5,332	27,536	8,672	528
Peel	2,011	2,995	22,496	3,113	905
Sudbury	856	258	7,898	523	18
Waterloo	2,099	578	12,998	1,597	377
York	1,014	1,832	14,367	297	61
Muskoka	74	89	2,971	0	17
Oxford	882	203	5,658	169	132
<i>Total</i>	26,282	30,844	207,018	79,288	9,323
<i>Counties</i>					
Brant	1,175	477	4,534	372	1
Bruce	1,300	358	2,950	0	149
Dufferin	172	108	979	0	48
Elgin	910	111	2,664	3	303
Essex	2,613	1,213	10,544	2,015	268
Frontenac	527	378	3,442	250	90
Grey	342	371	3,218	75	33
Haliburton	87	23	1,303	0	1
Hastings	272	385	3,821	1	109
Huron	2,076	230	3,925	0	27
Kent	2,287	632	6,958	4	804
Lambton	3,440	982	6,721	25	441
Lanark	293	374	1,659	0	443
Leeds and Grenville	722	399	3,723	0	41
Lennox and Addington	475	118	725	0	12
Middlesex	2,770	1,371	10,792	364	229
Northumberland	393	151	3,545	0	102
Perth	1,623	417	3,484	149	254
Peterborough	99	1,082	4,110	616	41
Prescott and Russell	590	86	2,887	0	18
Prince Edward	159	66	557	0	0
Renfrew	619	324	4,135	64	179
Simcoe	2,178	735	7,733	459	487
Stormont, Dundas and Glengarry	3,562	137	5,122	479	38
Victoria	269	112	2,358	8	46
Wellington	950	70	3,040	245	198
<i>Total</i>	29,904	10,708	104,932	5,129	4,361
<i>Districts</i>					
Algoma	1,439	1,693	4,657	97	1,151
Cochrane	227	262	2,874	190	405
Kenora	156	1,078	2,030	0	895
Manitoulin	193	86	267	0	53
Nipissing	1,466	314	1,565	102	240
Parry Sound	50	57	843	0	1
Rainy River	151	39	1,137	68	45
Sudbury	371	23	560	0	7
Thunder Bay	445	709	8,225	516	2,442
Timiskaming	728	65	3,353	0	114
<i>Total</i>	5,226	4,326	25,512	973	5,352
<b>PROVINCIAL TOTAL</b>	<b>61,412</b>	<b>45,879</b>	<b>337,462</b>	<b>85,390</b>	<b>19,036</b>

# Capital Fund – Applications

Table 5  
(Cont.)

	Environmental Services				Health
	Sewers	Water	Solid Waste	Other	
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	66,435	28,296	3,854	0	1,661
Durham	6,705	7,849	707	3,808	6
Haldimand-Norfolk	577	1,112	15	0	253
Halton	15,983	6,643	416	30	1,914
Hamilton-Wentworth	17,234	5,585	77	0	3
Niagara	4,069	6,772	1,342	6,288	288
Ottawa-Carleton	18,145	7,519	258	0	8,676
Peel	6,523	10,002	7,188	32	21
Sudbury	1,104	5,409	54	0	35
Waterloo	6,821	3,776	434	6	54
York	6,577	4,729	27	0	99
Muskoka	907	431	57	0	0
Oxford	4,478	1,435	42	0	103
<i>Total</i>	155,560	89,558	14,469	10,165	13,113
<i>Counties</i>					
Brant	632	555	0	4,387	20
Bruce	352	1,245	115	0	38
Dufferin	4	109	4	0	0
Elgin	507	233	0	131	0
Essex	10,439	2,378	45	161	11
Frontenac	1,714	616	9	0	16
Grey	287	133	173	2,047	47
Haliburton	14	90	0	0	6
Hastings	1,881	877	47	0	4
Huron	493	390	1	0	129
Kent	2,042	456	97	0	12
Lambton	3,545	869	17	77	3
Lanark	397	332	7	0	0
Leeds and Grenville	1,617	617	0	19	30
Lennox and Addington	590	270	1	0	6
Middlesex	1,610	1,805	143	3,538	20
Northumberland	543	894	227	21	0
Perth	4	216	0	0	43
Peterborough	1,114	884	0	0	454
Prescott and Russell	312	74	10	0	0
Prince Edward	0	11	32	0	0
Renfrew	49	126	29	1	29
Simcoe	1,542	1,124	54	1,210	630
Stormont, Dundas and Glengarry	1,109	676	0	0	20
Victoria	157	23	120	2	103
Wellington	653	377	49	1,786	234
<i>Total</i>	31,610	15,381	1,182	13,379	1,856
<i>Districts</i>					
Algoma	558	1,490	0	0	23
Cochrane	2,954	1,685	73	1,845	57
Kenora	860	180	49	0	385
Manitoulin	0	10	0	0	0
Nipissing	1,531	371	21	0	38
Parry Sound	0	31	17	0	37
Rainy River	103	35	10	0	649
Sudbury	249	120	0	0	16
Thunder Bay	6,197	4,043	353	52	111
Timiskaming	958	177	0	27	1
<i>Total</i>	13,412	8,142	522	1,933	1,316
PROVINCIAL TOTAL	200,582	113,081	16,174	25,476	16,285

# Capital Fund – Applications

Table 5  
(Cont.)

	Social and Family Services	Recreation	Planning	Total
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	37,741	30,566	7,621	317,177
Durham	293	5,315	1,271	48,779
Haldimand-Norfolk	13	1,178	266	9,695
Halton	8	2,242	34	43,047
Hamilton-Wentworth	814	4,904	3,053	47,275
Niagara	327	2,306	1,807	41,032
Ottawa-Carleton	519	10,822	17,828	110,713
Peel	507	6,272	46	62,113
Sudbury	24	3,262	1,047	20,488
Waterloo	21	3,950	1,992	34,702
York	19	4,183	1,240	34,446
Muskoka	12	1,268	164	5,991
Oxford	0	491	1,956	15,548
<i>Total</i>	40,297	76,760	38,326	791,005
<i>Counties</i>				
Brant	2	711	1,458	14,324
Bruce	3	1,313	134	7,957
Dufferin	10	396	322	2,153
Elgin	1	530	531	5,924
Essex	23	4,721	5,109	39,540
Frontenac	14	1,262	1,256	9,574
Grey	12	933	259	7,929
Haliburton	0	251	3	1,778
Hastings	7	2,340	1,178	10,922
Huron	21	2,951	901	11,144
Kent	16	1,730	1,391	16,428
Lambton	38	1,120	3,969	21,247
Lanark	9	406	783	4,702
Leeds and Grenville	8	935	1,275	9,386
Lennox and Addington	2	134	122	2,456
Middlesex	291	2,314	4,695	29,940
Northumberland	6	2,193	261	8,338
Perth	60	1,868	1,754	9,872
Peterborough	19	1,474	663	10,557
Prescott and Russell	84	3,215	775	8,053
Prince Edward	0	95	0	919
Renfrew	16	1,784	651	8,005
Simcoe	5	3,285	2,030	21,472
Stormont, Dundas and Glengarry	27	2,116	9,947	23,233
Victoria	34	1,152	268	4,654
Wellington	6	1,957	924	10,490
<i>Total</i>	713	41,186	40,659	300,997
<i>Districts</i>				
Algoma	26	1,632	7,351	20,118
Cochrane	46	3,948	531	15,105
Kenora	6	2,789	374	8,803
Manitoulin	0	1,825	58	2,493
Nipissing	2	433	169	6,251
Parry Sound	116	2,052	788	3,992
Rainy River	42	473	215	2,967
Sudbury	0	1,067	71	2,485
Thunder Bay	217	3,902	6,153	33,366
Timiskaming	3	1,772	662	7,859
<i>Total</i>	458	19,894	16,373	103,439
PROVINCIAL TOTAL	41,468	137,839	95,359	1,195,441

# Capital Fund

Table 5  
(Concluded)

	In Year Balance	Accumulated Balance
	\$000	\$000
<i>Regions</i>		
Metropolitan Toronto	57,828	43,860
Durham	— 830	11,360
Haldimand-Norfolk	115	522
Halton	5,220	14,388
Hamilton-Wentworth	8,985	— 14,195
Niagara	3,925	8,304
Ottawa-Carleton	40,608	31,954
Peel	— 15,425	— 14,688
Sudbury	4,164	8,436
Waterloo	— 949	— 981
York	477	7,332
Muskoka	— 301	1,111
Oxford	— 354	5,236
<i>Total</i>	103,464	102,640
<i>Counties</i>		
Brant	6,073	3,798
Bruce	532	2,944
Dufferin	155	318
Elgin	— 265	1,285
Essex	5,611	2,807
Frontenac	— 2,001	3,821
Grey	1,398	3,316
Haliburton	— 94	250
Hastings	— 2,254	1,775
Huron	— 31	1,534
Kent	654	6,259
Lambton	799	5,182
Lanark	— 32	843
Leeds and Grenville	1,594	2,804
Lennox and Addington	355	686
Middlesex	— 2,208	— 5,530
Northumberland	255	1,661
Perth	144	965
Peterborough	688	2,558
Prescott and Russell	— 204	1,917
Prince Edward	— 34	0
Renfrew	— 984	2,697
Simcoe	— 442	5,438
Stormont, Dundas and Glengarry	644	12,278
Victoria	— 1,459	— 97
Wellington	— 851	3,198
<i>Total</i>	8,040	62,707
<i>Districts</i>		
Algoma	205	4,229
Cochrane	2,855	2,346
Kenora	209	494
Manitoulin	159	147
Nipissing	— 3,265	4,349
Parry Sound	267	321
Rainy River	— 49	274
Sudbury	— 405	878
Thunder Bay	— 2,136	4,697
Timiskaming	— 117	386
<i>Total</i>	— 2,276	18,121
PROVINCIAL TOTAL	109,228	183,467



	Revenue Fund — Revenue			
	Taxation	Ontario Grants	Other	Total
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	617,922	302,322	39,222	959,466
Durham	39,589	62,328	1,600	103,517
Haldimand-Norfolk	15,326	19,809	1,241	36,376
Halton	40,435	54,948	1,005	96,388
Hamilton-Wentworth	74,765	82,184	6,673	163,622
Niagara	61,058	92,001	5,663	158,722
Ottawa-Carleton	120,008	145,177	9,051	274,237
Peel	95,881	95,707	2,650	194,238
Sudbury	24,301	69,255	2,387	95,944
Waterloo	53,166	63,002	2,281	118,450
York	46,713	47,048	1,036	94,796
Muskoka	9,427	5,938	138	15,503
Oxford	12,889	19,015	277	32,181
<i>Total</i>	1,211,481	1,058,735	73,224	2,343,440
<i>Counties</i>				
Brant	14,373	21,820	731	36,923
Bruce	6,286	17,118	1,087	24,491
Dufferin	4,622	8,189	437	13,248
Elgin	9,330	16,182	268	25,779
Essex	59,823	76,163	2,011	137,998
Frontenac	16,810	26,398	648	43,856
Grey	10,601	19,996	353	30,950
Haliburton	2,348	2,014	155	4,517
Hastings	14,007	31,069	843	45,919
Huron	6,596	15,516	109	22,221
Kent	15,601	25,470	1,023	42,095
Lambton	22,285	27,057	1,129	50,471
Lanark	5,145	13,258	289	18,692
Leeds and Grenville	10,408	23,400	616	34,424
Lennox and Addington	4,233	11,355	310	15,899
Middlesex	50,709	71,687	2,934	125,330
Northumberland	8,571	16,888	359	25,819
Perth	8,477	15,612	225	24,314
Peterborough	16,231	23,117	1,309	40,657
Prescott and Russell	4,932	22,539	308	27,779
Prince Edward	2,491	6,195	164	8,850
Renfrew	8,782	28,768	1,250	38,800
Simcoe	33,736	47,865	1,318	82,919
Stormont, Dundas and Glengarry	12,712	36,569	1,440	50,721
Victoria	6,394	10,351	160	16,905
Wellington	19,588	28,819	595	49,003
<i>Total</i>	375,093	643,415	20,073	1,038,580
<i>Districts</i>				
Algoma	17,630	42,942	2,469	63,040
Cochrane	11,594	38,627	822	51,043
Kenora	4,919	15,140	1,796	21,855
Manitoulin	674	2,637	684	3,995
Nipissing	8,852	33,733	1,572	44,156
Parry Sound	3,521	10,530	1,560	15,611
Rainy River	2,349	8,742	988	12,079
Sudbury	1,890	7,591	721	10,203
Thunder Bay	20,915	44,743	2,529	68,187
Timiskaming	3,686	19,651	1,613	24,949
Unorganized	—	24,760	14,811	39,571
<i>Total</i>	76,029	249,095	29,566	354,690
PROVINCIAL TOTAL	1,662,604	1,951,244	122,863	3,736,710

	Revenue Fund – Expenditures			
	Salaries and Wages	Debt Charges	Other	Total
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	750,559	47,708	164,792	963,059
Durham	82,766	5,388	15,867	104,020
Haldimand-Norfolk	27,384	1,920	7,074	36,378
Halton	75,737	6,996	16,217	98,950
Hamilton-Wentworth	127,958	10,251	26,791	165,000
Niagara	124,101	8,227	26,903	159,231
Ottawa-Carleton	208,184	20,852	46,699	275,734
Peel	149,938	16,703	29,980	196,620
Sudbury	70,431	5,462	21,671	97,565
Waterloo	95,993	7,129	15,534	118,656
York	71,471	7,080	16,585	95,136
Muskoka	10,997	598	3,940	15,535
Oxford	24,517	1,552	6,024	32,093
<i>Total</i>	1,820,037	139,865	398,076	2,357,978
<i>Counties</i>				
Brant	29,018	1,800	6,303	37,121
Bruce	16,407	1,926	6,357	24,691
Dufferin	9,697	894	2,653	13,244
Elgin	19,348	1,631	5,045	26,025
Essex	111,074	7,522	19,758	138,354
Frontenac	34,848	2,566	6,877	44,291
Grey	22,936	1,519	6,552	31,007
Haliburton	2,970	236	1,349	4,555
Hastings	35,621	2,255	8,287	46,164
Huron	17,062	1,163	3,963	22,188
Kent	34,686	1,472	6,125	42,283
Lambton	37,393	2,205	10,064	49,662
Lanark	13,973	1,051	3,971	18,996
Leeds and Grenville	25,229	1,398	8,084	34,711
Lennox and Addington	11,633	1,314	2,939	15,887
Middlesex	101,228	5,924	18,473	125,625
Northumberland	19,427	1,579	5,024	26,030
Perth	18,448	1,606	4,435	24,488
Peterborough	30,693	1,870	7,742	40,305
Prescott and Russell	18,699	1,966	7,284	27,949
Prince Edward	6,003	466	2,364	8,834
Renfrew	27,851	2,070	9,609	39,530
Simcoe	64,830	4,439	14,737	84,006
Stormont, Dundas and Glengarry	37,296	3,119	11,607	52,022
Victoria	12,026	924	4,051	17,001
Wellington	37,846	2,606	8,829	49,281
<i>Total</i>	796,241	55,523	192,483	1,044,248
<i>Districts</i>				
Algoma	46,599	3,628	12,797	63,023
Cochrane	37,757	2,959	10,989	51,704
Kenora	16,874	987	4,093	21,955
Manitoulin	2,836	165	976	3,976
Nipissing	33,636	3,138	9,174	45,948
Parry Sound	11,052	494	4,090	15,637
Rainy River	9,025	569	2,782	12,376
Sudbury	7,452	622	2,268	10,342
Thunder Bay	53,562	3,420	12,171	69,153
Timiskaming	18,235	1,369	5,406	25,010
Unorganized	26,952	918	11,870	39,739
<i>Total</i>	263,980	18,267	76,617	358,863
PROVINCIAL TOTAL	2,880,258	213,655	667,176	3,761,089

	Capital Fund			Capital Expenditure	In Year
	Borrowing	Other Revenue	Total		
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	24,201	29,852	54,053	53,517	— 537
Durham	844	2,374	3,217	3,217	0
Haldimand-Norfolk	774	611	1,385	1,126	— 259
Halton	4,327	2,027	6,354	4,787	— 1,567
Hamilton-Wentworth	2,478	2,273	4,751	4,500	— 251
Niagara	1,984	4,494	6,478	6,396	— 83
Ottawa-Carleton	3,900	9,332	13,232	15,154	1,922
Peel	20,908	3,085	23,992	26,341	2,349
Sudbury	0	2,112	2,112	2,468	356
Waterloo	2,680	1,195	3,875	3,552	— 323
York	3,673	721	4,394	5,844	1,449
Muskoka	0	526	526	543	17
Oxford	638	169	807	336	— 471
<i>Total</i>	66,406	58,771	125,178	127,780	2,603
<i>Counties</i>					
Brant	25	197	222	227	5
Bruce	954	219	1,174	1,167	— 6
Dufferin	123	428	552	508	— 44
Elgin	399	416	815	719	— 96
Essex	0	1,850	1,850	3,529	1,679
Frontenac	2,113	259	2,372	2,190	— 181
Grey	0	136	136	137	1
Haliburton	0	23	23	23	0
Hastings	0	550	550	797	247
Huron	0	250	250	250	0
Kent	0	717	717	1,873	1,156
Lambton	802	678	1,480	1,250	— 230
Lanark	394	202	596	367	— 229
Leeds and Grenville	309	704	1,013	769	— 244
Lennox and Addington	117	63	180	580	400
Middlesex	0	1,803	1,803	2,145	342
Northumberland	178	134	312	521	209
Perth	927	108	1,035	441	— 594
Peterborough	609	518	1,126	1,101	— 25
Prescott and Russell	1,000	314	1,314	1,409	95
Prince Edward	0	48	48	48	— 1
Renfrew	650	2,538	3,188	3,052	— 137
Simcoe	5,411	985	6,396	2,799	— 3,597
Stormont, Dundas and Glengarry	65	958	1,023	706	— 318
Victoria	108	88	196	212	16
Wellington	6	816	822	859	36
<i>Total</i>	14,188	15,004	29,192	27,679	— 1,514
<i>Districts</i>					
Algoma	2,238	1,282	3,520	3,717	197
Cochrane	203	411	614	1,007	393
Kenora	400	329	729	1,140	411
Manitoulin	0	3	3	31	28
Nipissing	1,273	2,305	3,578	3,596	18
Parry Sound	4	133	137	137	0
Rainy River	0	531	531	912	381
Sudbury	0	343	343	349	6
Thunder Bay	1,328	908	2,236	2,369	133
Timiskaming	897	166	1,062	644	— 149
Unorganized	210	811	1,022	1,075	53
<i>Total</i>	6,554	7,223	13,776	14,978	1,201
PROVINCIAL TOTAL	87,148	80,998	168,146	170,437	2,291

	All Local Government Long Term Debt Outstanding		
	Own Municipal	School Boards	Total
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	1,037,953	315,306	1,353,259
Durham	93,628	31,067	124,694
Haldimand-Norfolk	15,999	12,444	28,444
Halton	84,388	48,216	132,604
Hamilton-Wentworth	165,802	64,237	230,040
Niagara	124,750	52,352	177,102
Ottawa-Carleton	303,902	142,937	446,839
Peel	138,329	141,877	280,206
Sudbury	77,201	29,658	106,860
Waterloo	54,629	39,882	94,512
York	43,777	48,633	92,410
Muskoka	5,782	2,397	8,179
Oxford	20,698	9,835	30,533
<i>Total</i>	2,166,840	938,842	3,105,682
<i>Counties</i>			
Brant	14,654	2,857	17,511
Bruce	11,959	7,577	19,536
Dufferin	3,622	6,830	10,452
Elgin	13,255	9,280	22,535
Essex	119,583	47,817	167,400
Frontenac	29,336	18,842	48,178
Grey	9,360	10,086	19,445
Haliburton	670	1,589	2,260
Hastings	23,247	14,869	38,116
Huron	13,958	5,898	19,857
Kent	29,902	8,945	38,846
Lambton	42,117	14,170	56,287
Lanark	4,648	6,748	11,396
Leeds and Grenville	11,832	7,215	19,047
Lennox and Addington	6,364	7,456	13,821
Middlesex	85,110	32,250	117,360
Northumberland	8,566	9,050	17,616
Perth	14,362	11,075	25,437
Peterborough	25,668	11,642	37,310
Prescott and Russell	9,845	14,668	24,513
Prince Edward	2,008	2,969	4,977
Renfrew	14,043	13,456	27,499
Simcoe	36,166	33,325	69,491
Stormont, Dundas and Glengarry	29,831	22,151	51,982
Victoria	4,159	6,380	10,539
Wellington	26,959	17,238	44,197
<i>Total</i>	591,224	344,384	935,609
<i>Districts</i>			
Algoma	34,454	23,564	58,018
Cochrane	16,580	20,087	36,667
Kenora	5,521	6,615	12,136
Manitoulin	538	1,330	1,868
Nipissing	26,079	22,373	48,453
Parry Sound	2,812	3,094	5,906
Rainy River	3,421	3,456	6,877
Sudbury	2,194	3,933	6,126
Thunder Bay	44,620	22,796	67,417
Timiskaming	4,625	10,630	15,255
Unorganized	—	5,971	5,971
<i>Total</i>	140,845	123,848	264,693
PROVINCIAL TOTAL	2,898,909	1,407,074	4,305,984

# Local Government Debt

Table 9  
(Concluded)

	All Local Government Debt Charges			Total		
	Own Municipal	School Boards	Total	Revenue Fund Expenditures		
	\$000	\$000	\$000	% Municipal	% School Boards	% Total
<i>Regions</i>						
Metropolitan Toronto	171,822	47,708	219,530	12.3	5.0	9.3
Durham	10,075	5,388	15,463	8.5	5.2	6.9
Haldimand-Norfolk	2,010	1,920	3,930	6.2	5.3	5.7
Halton	8,898	6,996	15,894	10.2	7.1	8.6
Hamilton-Wentworth	24,298	10,251	34,549	11.6	6.2	9.2
Niagara	16,022	8,227	24,249	10.1	5.2	7.6
Ottawa-Carleton	42,928	20,852	63,779	13.2	7.6	10.6
Peel	15,366	16,703	32,069	9.4	8.5	8.9
Sudbury	11,337	5,462	16,800	13.0	5.6	9.1
Waterloo	9,754	7,129	16,883	7.0	6.0	6.5
York	5,734	7,080	12,814	7.1	7.4	7.3
Muskoka	722	598	1,320	4.4	3.8	4.1
Oxford	2,982	1,552	4,534	9.5	4.8	7.1
<i>Total</i>	321,947	139,865	461,813	11.3	5.9	8.9
<i>Counties</i>						
Brant	2,377	1,800	4,177	5.6	4.8	5.2
Bruce	1,402	1,926	3,329	5.8	7.8	6.8
Dufferin	724	894	1,618	7.1	6.8	6.9
Elgin	2,506	1,631	4,137	9.9	6.3	8.0
Essex	16,268	7,522	23,790	12.4	5.4	8.8
Frontenac	3,487	2,566	6,053	8.0	5.8	6.9
Grey	1,844	1,519	3,362	6.5	4.9	5.7
Haliburton	131	236	367	2.3	5.2	3.6
Hastings	3,476	2,255	5,732	8.4	4.9	6.5
Huron	1,823	1,163	2,987	7.8	5.2	6.6
Kent	4,759	1,472	6,231	11.0	3.5	7.3
Lambton	6,668	2,205	8,872	12.3	4.4	8.5
Lanark	792	1,051	1,844	4.3	5.5	5.0
Leeds and Grenville	2,132	1,398	3,531	8.3	4.0	5.8
Lennox and Addington	861	1,314	2,176	8.1	8.3	8.2
Middlesex	13,423	5,924	19,347	10.9	4.7	7.8
Northumberland	1,161	1,579	2,740	5.1	6.1	5.6
Perth	2,418	1,606	4,024	9.3	6.6	8.0
Peterborough	3,626	1,870	5,497	9.5	4.6	7.0
Prescott and Russell	1,308	1,966	3,273	6.9	7.0	7.0
Prince Edward	269	466	736	4.9	5.3	5.1
Renfrew	1,667	2,070	3,737	5.2	5.2	5.2
Simcoe	4,680	4,439	9,119	6.8	5.3	6.0
Stormont, Dundas and Glengarry	4,000	3,119	7,119	9.9	6.0	7.7
Victoria	502	924	1,426	3.3	5.4	4.4
Wellington	3,695	2,606	6,301	8.0	5.3	6.6
<i>Total</i>	86,001	55,523	141,523	8.9	5.3	7.0
<i>Districts</i>						
Algoma	5,615	3,628	9,243	10.0	5.8	7.8
Cochrane	2,935	2,959	5,893	7.6	5.7	6.5
Kenora	850	987	1,838	4.3	4.5	4.4
Manitoulin	82	165	247	2.3	4.1	3.3
Nipissing	2,736	3,138	5,874	8.6	6.8	7.6
Parry Sound	516	494	1,010	4.9	3.2	3.9
Rainy River	549	569	1,118	4.8	4.6	4.7
Sudbury	246	622	867	4.1	6.0	5.3
Thunder Bay	4,717	3,420	8,137	6.0	4.9	5.5
Timiskaming	668	1,369	2,037	3.6	5.5	4.7
Unorganized	—	918	918	—	2.3	2.3
<i>Total</i>	18,913	18,267	37,179	6.9	5.1	5.9
PROVINCIAL TOTAL	426,861	213,655	640,515	10.4	5.7	8.2



# Appendix B

## TABLES

<b>Chapter 2</b>	<b>Detail per Household</b>	
	Municipal Revenue Fund Spending. . . . .	119
	Municipal Revenue Fund Revenues. . . . .	124
<b>Chapter 3</b>	<b>Detail per Household</b>	
	Municipal Capital Fund Spending. . . . .	127
	Municipal Capital Fund Revenues. . . . .	129
<b>Chapter 5</b>	<b>Detail per Household</b>	
	Unconditional Grants. . . . .	133
	Conditional Operating Grants. . . . .	133
	Conditional Capital Grants. . . . .	134
<b>Chapter 7</b>	<b>Detail per Household</b>	
	Long Term Borrowing. . . . .	135
	Net Debt and Unfinanced Capital Expenditures. . . .	137
	Net Long Term Debt Outstanding. . . . .	139
	Debt Charges. . . . .	143



Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-1

General Government	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	94	144	167	77.7	16.0
Regions	110	124	150	36.4	21.0
Cities South	84	98	103	22.6	5.1
Cities North	91	104	110	20.9	5.8
Rural South	74	92	100	35.1	8.7
Rural North	100	138	158	58.0	14.5
Province	95	120	137	44.2	14.2

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-2

Police	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	155	198	216	39.4	9.1
Regions	98	123	129	31.6	4.9
Cities South	110	129	133	20.9	3.1
Cities North	121	141	148	22.3	5.0
Rural South	24	29	31	29.2	6.9
Rural North	38	45	49	28.9	8.9
Province	99	122	130	31.3	6.6

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-3

Fire	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	83	94	102	22.9	8.5
Regions	61	75	76	24.6	1.3
Cities South	80	91	96	20.0	5.5
Cities North	89	103	109	22.5	5.8
Rural South	21	23	25	19.0	8.7
Rural North	35	44	43	22.8	−2.3
Province	61	72	75	23.0	4.2

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-4

Conservation Authorities	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	11	10	15	36.4	50.0
Regions	21	18	19	−9.5	5.6
Cities South	18	14	17	−5.6	21.4
Cities North	29	25	23	−20.7	−8.0
Rural South	18	16	18	0	12.5
Rural North	0	0	0	0	0
Province	17	15	17	0	13.3

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-5

Other Protection	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	15	21	23	53.3	9.5
Regions	12	15	16	33.3	6.7
Cities South	10	11	12	20.0	9.1
Cities North	11	11	13	18.2	18.2
Rural South	6	8	8	33.3	0
Rural North	6	8	10	66.6	25.0
Province	11	14	15	36.4	7.1

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-6**

Protection (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	264	323	356	34.8	10.2
Regions	191	232	240	25.7	3.4
Cities South	218	245	258	18.3	5.3
Cities North	250	282	292	16.8	3.5
Rural South	68	75	82	20.6	9.3
Rural North	79	98	102	29.1	4.1
Province	188	223	238	26.6	6.7

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-7**

Roads	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	121	135	142	17.4	5.2
Regions	177	220	216	22.0	-1.8
Cities South	125	143	153	22.4	7.0
Cities North	160	210	214	33.8	1.9
Rural South	235	265	267	13.6	0.7
Rural North	207	260	261	26.1	0.4
Province	168	199	201	19.6	1.0

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-8**

Transit	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	258	305	323	25.2	5.9
Regions	72	71	78	8.3	9.9
Cities South	50	62	67	34.0	8.1
Cities North	65	83	95	27.7	14.5
Rural South	1	1	1	0	0
Rural North	1	2	2	100.0	0
Province	102	114	122	19.6	7.0

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-9**

Other Transportation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	26	15	28	7.7	86.7
Regions	18	22	23	27.8	4.5
Cities South	24	29	32	33.3	10.3
Cities North	36	32	36	0	12.5
Rural South	7	10	11	57.1	10.0
Rural North	21	26	28	33.3	7.7
Province	20	19	24	20.0	26.3

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-10**

Transportation (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	405	456	494	22.0	8.3
Regions	267	313	317	18.7	1.3
Cities South	199	235	253	27.1	7.7
Cities North	261	325	343	31.4	5.5
Rural South	243	276	279	14.8	1.1
Rural North	229	288	290	26.6	0.7
Province	289	332	346	19.7	4.2

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-11

Sewers	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	65	81	91	40.0	12.3
Regions	67	89	95	41.8	6.7
Cities South	67	87	87	29.9	0
Cities North	71	101	105	47.9	4.0
Rural South	23	32	34	47.8	6.3
Rural North	54	65	71	31.5	9.2
Province	58	75	80	37.9	6.7

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-12

Water	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	72	80	87	20.1	8.8
Regions	67	72	79	17.9	9.7
Cities South	76	85	86	13.2	1.2
Cities North	57	68	72	26.3	5.9
Rural South	35	42	45	28.6	7.1
Rural North	44	67	65	47.7	3.0
Province	69	70	75	8.6	7.1

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-13

Solid Waste	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	46	58	63	37.0	8.6
Regions	31	32	41	32.3	28.0
Cities South	47	55	60	27.6	9.1
Cities North	32	35	36	12.5	2.9
Rural South	17	21	23	35.3	9.5
Rural North	27	30	31	14.8	3.3
Province	34	37	45	32.4	21.6

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-14

Environment (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	183	219	240	31.1	9.6
Regions	165	195	215	30.3	10.3
Cities South	190	227	233	22.6	2.6
Cities North	160	204	212	32.5	3.9
Rural South	75	95	102	36.0	7.4
Rural North	125	162	168	34.4	3.7
Province	161	185	200	24.2	8.1

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-15

Public Health	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	21	26	27	28.6	3.8
Regions	18	23	24	33.3	4.3
Cities South	20	25	23	15.0	— 8.0
Cities North	39	40	46	17.9	15.0
Rural South	26	29	31	19.2	6.9
Rural North	22	35	22	0	— 37.1
Province	22	26	27	22.7	3.8



Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-16

Other Health	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	16	24	25	56.3	4.2
Regions	11	15	16	45.5	6.7
Cities South	8	4	3	-62.5	-25.0
Cities North	13	15	14	7.7	-6.7
Rural South	6	7	6	0	-14.3
Rural North	10	11	17	70.0	54.5
Province	11	14	15	36.4	7.1

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-17

General Assistance	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	81	96	105	29.6	9.4
Regions	70	68	78	11.4	14.7
Cities South	64	59	69	7.8	16.9
Cities North	83	82	93	12.0	13.4
Rural South	35	37	43	22.8	16.2
Rural North	39	46	37	-5.1	-19.6
Province	65	68	76	16.9	11.8

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-18

Elderly	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	56	64	73	30.4	14.1
Regions	41	49	54	31.7	10.2
Cities South	42	49	51	21.4	4.1
Cities North	136	148	151	11.3	2.0
Rural South	58	73	78	34.5	6.8
Rural North	76	92	94	23.7	2.2
Province	53	62	68	28.3	9.7

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-19

Day Nurseries	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	26	21	23	-11.5	9.5
Regions	15	12	13	-13.3	8.3
Cities South	12	7	8	-33.3	14.3
Cities North	13	10	11	-15.4	10.0
Rural South	5	4	3	-40.0	-25.0
Rural North	6	7	8	33.3	14.3
Province	15	12	13	-13.3	8.3

Municipal Revenue Fund Spending Per Household  
By Function (\$)

Table B2-20

Children's Aid Societies	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	33	45	51	54.5	13.3
Regions	22	31	33	50.0	6.5
Cities South	20	29	32	60.0	10.3
Cities North	32	41	46	43.8	12.3
Rural South	17	20	23	35.3	15.0
Rural North	32	46	52	62.5	13.0
Province	24	33	36	50.0	9.1

# Municipal Revenue Fund Spending Per Household By Function (\$)

Table B2-21

Health and Social Services (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	233	276	306	31.3	10.9
Regions	177	198	218	23.2	10.1
Cities South	166	174	187	12.7	7.5
Cities North	316	335	364	15.2	8.7
Rural South	147	170	185	25.8	8.8
Rural North	185	235	233	25.9	-0.9
Province	190	214	235	23.7	9.8

# Municipal Revenue Fund Spending Per Household By Function (\$)

Table B2-22

Parks and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	125	149	132	5.6	-11.4
Regions	93	126	110	18.3	-12.7
Cities South	82	101	99	20.7	-2.0
Cities North	115	152	148	28.7	-2.6
Rural South	40	59	60	50.0	1.7
Rural North	86	117	119	38.4	1.7
Province	90	112	106	17.8	-5.4

# Municipal Revenue Fund Spending Per Household By Function (\$)

Table B2-23

Libraries	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	41	79	86	109.8	8.9
Regions	25	43	42	68.0	-2.3
Cities South	30	44	45	50.0	2.3
Cities North	27	39	58	114.8	48.7
Rural South	10	15	17	70.0	13.3
Rural North	13	24	30	130.8	25.0
Province	27	46	49	81.5	6.5

# Municipal Revenue Fund Spending Per Household By Function (\$)

Table B2-24

Culture and Recreation (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	166	203	219	31.9	7.9
Regions	119	147	151	26.9	2.7
Cities South	112	137	144	28.6	5.1
Cities North	142	186	205	44.4	10.2
Rural South	49	71	77	57.1	8.6
Rural North	99	135	149	50.5	10.4
Province	117	146	155	32.5	6.2

# Municipal Revenue Fund Spending Per Household By Function (\$)

Table B2-25

Planning and Development	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	25	30	30	20.0	0
Regions	30	40	40	33.3	0
Cities South	20	31	30	50.0	-3.2
Cities North	24	44	53	120.8	20.5
Rural South	25	34	39	56.0	14.7
Rural North	30	36	39	30.0	8.3
Province	26	35	37	42.3	5.7

**Municipal Revenue Fund Spending Per Household  
By Function (\$)**

**Table B2-26**

Total All Functions	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1,370	1,651	1,812	32.3	9.8
Regions	1,059	1,249	1,331	25.7	6.6
Cities South	989	1,147	1,207	22.0	5.2
Cities North	1,244	1,480	1,579	26.9	6.7
Rural South	681	813	862	26.6	6.0
Rural North	847	1,092	1,139	34.5	4.3
Province	1,066	1,255	1,347	26.4	7.3

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-27**

Taxation — Property Taxes	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	590	722	754	27.8	4.4
Regions	444	506	528	18.9	4.3
Cities South	451	513	530	17.5	3.3
Cities North	446	492	480	7.6	-2.4
Rural South	221	249	257	16.3	3.2
Rural North	267	299	311	16.5	4.0
Province	434	504	523	20.5	3.8

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-28**

Taxation — Municipal Charges	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	8	25	33	312.5	32.0
Regions	32	58	63	96.9	8.6
Cities South	21	38	39	85.7	2.6
Cities North	24	36	38	58.3	5.6
Rural South	20	35	39	95.0	11.4
Rural North	15	35	39	160.0	11.4
Province	21	41	46	119.0	12.2

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-29**

Taxation (Subtotal)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	598	747	787	31.6	5.4
Regions	476	564	591	24.2	4.8
Cities South	472	551	569	20.6	3.3
Cities North	470	528	518	10.2	-1.9
Rural South	241	284	296	22.8	4.2
Rural North	282	334	350	24.1	4.8
Province	455	545	570	25.3	4.6

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-30**

Payments in Lieu of Taxes — Ontario	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	27	42	53	96.3	26.2
Regions	11	16	16	45.5	0
Cities South	20	22	22	10.0	0
Cities North	20	24	23	15.0	-4.2
Rural South	5	7	7	40.0	0
Rural North	10	13	14	40.0	7.7
Province	15	22	25	66.7	13.6

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-31

Payments in Lieu — Other	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	20	25	28	40.0	10.7
Regions	32	42	43	34.4	2.4
Cities South	14	17	16	14.3	— 5.9
Cities North	17	22	21	23.5	4.5
Rural South	5	6	7	40.0	16.7
Rural North	4	5	5	25.0	0
Province	20	26	27	35.0	3.8

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-32

Payments in Lieu — (Subtotal)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	47	67	81	72.3	20.9
Regions	43	58	59	37.2	1.7
Cities South	34	39	38	11.8	— 2.6
Cities North	37	46	44	18.9	— 4.3
Rural South	10	13	14	40.0	7.7
Rural North	14	18	19	35.7	5.6
Province	35	48	52	48.6	8.3

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-33

Ontario Grants — Unconditional	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	100	120	126	26.0	5.0
Regions	137	147	152	10.9	3.4
Cities South	124	135	145	16.9	7.4
Cities North	268	352	398	48.5	13.1
Rural South	77	89	99	28.6	11.2
Rural North	186	243	277	48.9	14.0
Province	120	137	147	22.5	7.3

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-34

Ontario Grants — Conditional	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	218	249	275	26.1	10.4
Regions	208	224	235	13.0	4.9
Cities South	163	174	185	13.5	6.3
Cities North	296	305	329	11.1	7.9
Rural South	236	269	275	16.5	2.2
Rural North	215	279	280	30.2	0.4
Province	214	236	252	17.8	6.7

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-35

Ontario Grants (Subtotal)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	318	369	401	26.1	8.7
Regions	345	371	387	12.2	4.3
Cities South	287	309	330	15.0	6.8
Cities North	564	657	727	28.9	10.7
Rural South	313	358	374	19.5	4.5
Rural North	401	522	557	38.9	6.7
Province	334	373	399	19.5	7.0

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-36**

User Fees — Transit	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	142	196	206	45.1	5.1
Regions	33	32	35	6.1	9.4
Cities South	28	35	36	28.6	2.9
Cities North	22	36	38	7.3	5.6
Rural South	0	0	0	0	0
Rural North	0	0	0	0	0
Province	53	67	71	34.0	6.0

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-37**

User Fees — Water	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	66	83	91	37.9	9.6
Regions	58	62	68	17.2	9.7
Cities South	76	74	79	3.9	6.8
Cities North	54	62	68	25.9	9.7
Rural South	32	34	36	12.5	5.9
Rural North	34	42	45	32.4	7.1
Province	59	63	68	15.3	7.9

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-38**

User Fees — Homes for the Aged	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	10	23	27	170.0	17.4
Regions	14	16	17	21.4	6.3
Cities South	10	18	19	90.0	5.6
Cities North	18	41	46	155.6	12.2
Rural South	18	31	34	88.9	9.7
Rural North	2	26	32	1,500.0	23.1
Province	13	22	25	92.3	13.6

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-39**

User Fees — Other	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	56	66	72	28.6	9.1
Regions	53	60	78	47.2	30.0
Cities South	38	55	57	50.0	3.6
Cities North	41	54	63	53.7	16.7
Rural South	34	49	56	64.7	14.3
Rural North	41	40	50	22.0	25.0
Province	47	58	67	42.6	15.5

**Municipal Revenue Fund Revenue Per Household  
By Source (\$)**

**Table B2-40**

User Fees (Subtotal)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	274	368	396	44.5	7.6
Regions	158	170	198	25.3	16.5
Cities South	152	182	191	25.7	4.9
Cities North	135	193	215	59.3	11.4
Rural South	84	114	126	50.0	10.5
Rural North	77	108	127	64.9	17.6
Province	172	210	231	34.3	11.0



Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-41

Other Revenue	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	167	95	199	19.2	109.5
Regions	52	83	103	98.1	24.1
Cities South	41	62	76	85.4	22.6
Cities North	103	69	70	−32.0	1.4
Rural South	36	48	51	41.7	6.3
Rural North	70	93	107	52.8	15.1
Province	76	76	114	50.0	50.0

Municipal Revenue Fund Revenue Per Household  
By Source (\$)

Table B2-42

Total Revenue	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1,404	1,646	1,864	32.8	13.2
Regions	1,074	1,246	1,338	24.6	7.4
Cities South	986	1,143	1,204	22.1	5.3
Cities North	1,309	1,493	1,574	20.2	5.4
Rural South	684	817	861	25.9	5.4
Rural North	844	1,075	1,160	37.4	7.9
Province	1,072	1,252	1,366	27.4	9.1

Municipal Capital Fund Spending Per Household  
By Function (\$)

Table B3-1

General Government	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	16	20	10	−37.5	−50.0
Regions	18	13	17	−5.6	30.8
Cities South	17	26	18	5.9	−30.8
Cities North	17	56	18	5.9	−67.9
Rural South	9	27	37	311.1	37.0
Rural North	23	15	30	30.4	100.0
Total Province	16	21	20	25.0	−4.8

Municipal Capital Fund Spending Per Household  
By Function (\$)

Table B3-2

Protection	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	12	17	1,600.0	41.7
Regions	18	17	16	−5.9	−11.1
Cities South	7	8	13	85.7	62.5
Cities North	30	14	25	−16.7	78.6
Rural South	11	7	9	−18.2	28.6
Rural North	9	15	16	77.8	6.7
Total Province	11	13	15	36.4	15.4

Municipal Capital Fund Spending Per Household  
By Function (\$)

Table B3-3

Roads	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	62	65	66	6.5	1.5
Regions	128	129	137	7.0	6.2
Cities South	92	86	82	−10.9	−4.7
Cities North	69	96	117	69.6	21.9
Rural South	107	115	118	10.3	2.6
Rural North	87	83	123	41.4	48.2
Total Province	99	102	108	9.1	5.9

**Municipal Capital Fund Spending Per Household  
By Function (\$)**

**Table B3-4**

Transit	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	122	135	79	-34.2	-41.5
Regions	17	15	15	-11.8	0
Cities South	15	11	13	-13.3	18.2
Cities North	20	20	9	-55.0	-55.0
Rural South	1	0	0	-100.0	0
Rural North	1	1	1	0	0
Total Province	11	42	27	145.5	34.7

**Municipal Capital Fund Spending Per Household  
By Function (\$)**

**Table B3-5**

Other Transportation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	26	3	6	-76.9	100.0
Regions	38	4	4	-89.5	0
Cities South	7	6	6	-14.3	0
Cities North	9	5	25	177.8	400.0
Rural South	24	2	3	-87.5	50.0
Rural North	33	12	25	-24.3	108.3
Total Province	33	4	6	-81.8	50.0

**Municipal Capital Fund Spending Per Household  
By Function (\$)**

**Table B3-6**

Total Transportation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	187	203	151	-19.3	-25.6
Regions	159	148	156	-1.9	5.4
Cities South	114	103	101	-11.4	-1.9
Cities North	98	121	151	54.1	24.8
Rural South	110	117	121	9.1	3.4
Rural North	101	96	149	47.5	55.2
Total Province	147	147	140	-4.8	-4.8

**Municipal Capital Fund Spending Per Household  
By Function (\$)**

**Table B3-7**

Environment	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	121	116	123	1.7	6.0
Regions	130	128	148	13.8	15.6
Cities South	94	87	102	8.5	17.2
Cities North	214	231	179	-16.4	-22.5
Rural South	50	40	34	-32.0	-15.0
Rural North	79	43	56	-29.1	30.2
Total Province	108	103	112	3.7	8.7

**Municipal Capital Fund Spending Per Household  
By Function (\$)**

**Table B3-8**

Health and Social Services	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	4	35	50	1150.0	42.9
Regions	11	8	12	9.1	50.5
Cities South	4	1	2	-50.0	100.0
Cities North	11	15	3	-72.7	-80.0
Rural South	8	7	3	-62.5	-57.1
Rural North	11	19	13	18.2	-31.6
Province	8	14	18	125.0	28.6

Municipal Capital Fund Spending Per Household  
By Function (\$)

Table B3-9

Culture and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	69	42	39	-43.5	-7.4
Regions	49	44	41	-16.3	-6.9
Cities South	30	24	34	13.3	41.7
Cities North	50	41	36	-28.0	-12.2
Rural South	33	71	44	33.3	-38.0
Rural North	50	94	142	184.0	51.1
Total Province	49	48	44	-10.2	-8.3

Municipal Capital Fund Spending Per Household  
By Function (\$)

Table B3-10

Planning and Development	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	23	16	9	-60.9	-43.7
Regions	18	26	27	50.0	3.8
Cities South	19	30	56	194.7	86.7
Cities North	29	52	74	155.2	42.3
Rural South	39	33	30	-23.1	-9.1
Rural North	19	36	80	321.1	122.2
Total Province	24	26	30	25.0	15.4

Municipal Capital Fund Revenue Per Household (\$)

Table B3-11

Metro Toronto	1975	1977	1978	1978/75 % Change	1978/77 % Change
Own Funds					
Revenue Fund	36	53	59	63.9	11.3
Reserve and Reserve Funds	26	26	34	30.8	30.8
Subtotal	62	79	93	50.0	17.7
Ontario Grants					
Transportation	117	120	80	-31.6	-33.7
Environment	15	23	24	60.0	4.3
Other	4	5	2	-50.0	-60.0
Subtotal	136	148	106	-22.1	-28.4
Other Revenue	26	63	51	96.2	-19.0
Borrowing	101	249	77	-23.8	-69.1
Total	325	539	327	0.6	-39.3

Municipal Capital Fund Revenue Per Household (\$)

Table B3-12

Regions	1975	1977	1978	1978/75 % Change	1978/77 % Change
Own Funds					
Revenue Fund	64	62	64	0	3.2
Reserve and Reserve Funds	41	73	81	97.6	11.0
Subtotal	105	135	145	38.1	7.4
Other Grants					
Transportation	60	57	63	5.0	10.5
Environment	15	13	14	-6.7	7.7
Other	13	13	13	0	0
Subtotal	88	83	90	2.3	8.4
Other Revenue	38	41	52	36.8	26.8
Borrowing	135	141	94	-30.4	-33.3
Total	366	400	381	4.1	-4.8

## Municipal Capital Fund Revenue Per Household (\$)

Table B3-13

Cities South	1975	1977	1978	1978/75 % Change	1978/77 % Change
Own Funds					
Revenue Fund	54	53	56	3.7	5.4
Reserve and Reserve Funds	26	23	33	26.9	43.5
Subtotal	80	76	89	11.3	17.1
Ontario Grants					
Transportation	43	44	41	-4.7	-6.8
Environment	10	6	6	-40.0	0
Other	18	7	11	-38.9	57.1
Subtotal	71	58	58	-18.3	0
Other Revenue	38	31	40	5.3	29.0
Borrowing	123	136	112	-8.9	-17.6
Total	312	301	299	-4.2	-0.7

## Municipal Capital Fund Revenue Per Household (\$)

Table B3-14

Cities North	1975	1977	1978	1978/75 % Change	1978/77 % Change
Own Funds					
Revenue Fund	67	85	79	17.9	-7.1
Reserve and Reserve Funds	27	55	73	170.4	32.7
Subtotal	94	140	152	61.7	8.6
Ontario Grants					
Transportation	33	45	50	51.5	11.1
Environment	59	79	54	-8.5	-31.6
Other	27	25	14	-48.1	-44.0
Subtotal	118	149	119	0.8	-20.1
Other Revenue	80	81	61	-23.7	-24.7
Borrowing	141	162	206	46.1	27.2
Total	433	532	538	24.2	1.1

## Municipal Capital Fund Revenue Per Household (\$)

Table B3-15

Rural South	1975	1977	1978	1978/75 % Change	1978/77 % Change
Own Funds					
Revenue Fund	71	79	79	11.3	0
Reserve and Reserve Funds	7	18	20	185.7	11.1
Subtotal	78	97	99	26.9	2.1
Ontario Grants					
Transportation	53	53	59	11.3	11.3
Environment	4	6	6	50.0	0
Other	18	45	36	100.0	-20.0
Subtotal	75	105	101	34.7	-3.8
Other Revenue	24	38	34	41.7	-10.5
Borrowing	58	71	51	-12.1	-28.2
Total	235	311	284	20.9	-8.7

Municipal Capital Fund Revenue Per Household (\$)

Table B3-16

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Rural North					
Own Funds					
Revenue Fund	101	91	113	11.9	24.2
Reserve and Reserve Funds	23	28	39	69.6	39.3
Subtotal	124	119	152	22.6	27.7
Ontario Grants					
Transportation	47	47	80	70.2	70.2
Environment	7	11	15	114.3	48.5
Other	22	56	77	250.0	37.5
Subtotal	76	114	173	127.6	51.8
Other Revenue	33	82	108	227.3	31.7
Borrowing	40	51	30	−25.0	−41.2
Total	273	366	463	69.6	26.5

Provincial Per Capita General Grants Per Household (\$)

Table B5-1

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	25	28	27	8.0	−3.6
Regions	25	29	28	12.0	−3.4
Cities South	21	24	22	4.8	−8.3
Cities North	22	28	23	4.5	−17.9
Rural South	16	19	18	12.5	−5.3
Rural North	16	19	18	12.5	−5.3
Province	23	26	25	8.7	−3.8

Provincial Per Capita Police Grants Per Household (\$)

Table B5-2

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	34	41	41	20.6	0
Regions	31	37	37	19.4	0
Cities South	21	26	26	23.8	0
Cities North	24	29	29	20.8	0
Rural South	5	8	8	60.0	0
Rural North	7	9	9	28.6	0
Province	24	30	30	25.0	0

Provincial Per Capita Density Grants Per Household (\$)

Table B5-3

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	0	0
Regions	5	5	5	0	0
Cities South	0	0	0	0	0
Cities North	0	0	0	0	0
Rural South	0	0	0	0	0
Rural North	0	0	0	0	0
Province	2	2	2	0	0



# Provincial Special Assistance Grants Per Household (\$) Table B5-4

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	0	0
Regions	13	5	4	-69.2	-20.0
Cities South	0	0	0	0	0
Cities North	3	0	0	-100.0	0
Rural South	5	0	0	-100.0	0
Rural North	4	3	3	-25.0	0
Province	6	2	1	-83.3	-50.0

# Provincial General Support Grants Per Household (\$) Table B5-5

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	37	45	55	48.6	22.2
Regions	36	40	48	33.3	20.0
Cities South	28	36	44	57.1	22.2
Cities North	35	45	56	60.0	24.4
Rural South	17	18	23	35.3	27.8
Rural North	25	29	35	40.0	20.7
Province	31	36	43	38.7	19.4

# Provincial Northern Special Support Grants Per Household (\$) Table B5-6

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	0	0
Regions	3	4	4	33.3	0
Cities South	0	0	0	0	0
Cities North	87	135	163	87.4	20.7
Rural South	0	0	0	0	0
Rural North	59	87	105	78.0	20.7
Province	5	9	12	140.0	33.3

# Provincial Resource Equalization Grants Per Household (\$) Table B5-7

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	4	4	3	-25.0	-25.0
Regions	24	26	27	12.5	3.8
Cities South	54	49	53	-1.9	8.2
Cities North	97	115	127	30.9	10.4
Rural South	34	44	51	50.0	15.9
Rural North	75	91	106	41.3	16.5
Province	29	31	35	20.7	12.9

# Provincial OHAP and Other Grants Per Household (\$) Table B5-8

	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	2	0	0	-100.0
Regions	0	1	0	0	-100.0
Cities South	0	0	0	0	0
Cities North	0	0	0	0	0
Rural South	0	0	0	0	0
Rural North	0	5	1	100.0	-80.0
Province	0	1	0	100.0	-100.0

Provincial Unconditional Grants Per Household (\$)

Table B5-9

Total	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	100	120	126	26.0	5.0
Regions	137	147	152	10.9	3.4
Cities South	124	135	145	16.9	7.4
Cities North	268	352	398	48.5	13.1
Rural South	77	89	99	28.6	11.2
Rural North	186	243	277	48.9	14.0
Province	120	137	148	23.3	8.0

Provincial Conditional Operating Grants Per Household (\$)

Table B5-10

General Government	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	0	0
Regions	1	1	1	0	0
Cities South	0	0	0	0	0
Cities North	0	0	0	0	0
Rural South	1	1	1	0	0
Rural North	0	0	0	0	0
Province	1	1	1	0	0

Provincial Conditional Operating Grants Per Household (\$)

Table B5-11

Protection	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	6	5	9	50.0	80.0
Regions	13	10	11	-15.4	10.0
Cities South	14	11	13	-7.1	18.2
Cities North	22	17	15	-31.8	11.8
Rural South	16	12	14	-12.5	16.7
Rural North	0	0	1	0	0
Province	13	9	11	-15.4	22.2

Provincial Conditional Operating Grants Per Household (\$)

Table B5-12

Transportation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	63	67	71	12.7	6.0
Regions	71	77	78	9.9	1.3
Cities South	39	50	52	33.3	4.0
Cities North	59	67	73	23.7	9.0
Rural South	122	138	133	9.0	-3.6
Rural North	91	117	104	14.3	11.1
Province	75	84	85	13.3	1.2

Provincial Conditional Operating Grants Per Household (\$)

Table B5-13

Environment	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	1	2	100.0	100.0
Regions	1	2	2	100.0	0
Cities South	0	1	0	0	-100.0
Cities North	0	1	1	100.0	0
Rural South	0	1	1	100.0	0
Rural North	3	3	3	0	0
Province	1	2	2	100.0	0

Provincial Conditional Operating Grants Per Household (\$)

Table B5-14

Health and Social Services	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	139	167	184	32.4	10.2
Regions	113	122	135	19.5	10.7
Cities South	104	104	111	6.7	6.7
Cities North	207	210	229	10.6	9.0
Rural South	88	105	113	28.4	7.6
Rural North	104	133	150	44.2	12.8
Province	115	129	143	24.3	10.9

Provincial Conditional Operating Grants Per Household (\$)

Table B5-15

Culture and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	7	9	9	28.6	0
Regions	6	8	7	16.7	-12.5
Cities South	6	7	7	16.7	0
Cities North	6	9	9	50.0	0
Rural South	7	10	11	57.1	10.0
Rural North	12	15	15	25.0	0
Province	7	9	9	28.6	0

Provincial Conditional Operating Grants Per Household (\$)

Table B5-16

Planning and Development	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	2	0	0	-100.0	0
Regions	3	4	1	-66.7	-75.0
Cities South	0	1	2	100.0	100.0
Cities North	2	1	2	0	100.0
Rural South	2	2	2	0	0
Rural North	5	11	6	20.0	-45.6
Province	2	2	2	0	0

Provincial Conditional Operating Grants Per Household (\$)

Table B5-17

Total	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	218	249	275	26.1	10.4
Regions	208	224	235	13.0	4.9
Cities South	163	174	185	13.5	6.3
Cities North	296	305	329	11.1	7.9
Rural South	236	269	275	16.5	2.2
Rural North	215	279	279	29.8	0
Province	214	236	253	18.2	7.2

Provincial Capital Grants Per Household (\$)

Table B5-18

Transportation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	117	121	80	-31.6	-33.9
Regions	52	57	63	21.2	10.5
Cities South	39	44	41	5.1	-6.8
Cities North	33	46	50	51.5	8.7
Rural South	52	53	58	11.5	9.4
Rural North	47	47	80	70.2	70.2
Province	67	70	64	-4.5	-8.6

Provincial Capital Grants Per Household (\$)

Table B5-19

Culture and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	2	3	1	− 50.0	− 66.6
Regions	8	9	9	12.5	0
Cities South	5	3	8	60.0	166.7
Cities North	13	4	6	− 53.9	50.0
Rural South	10	34	27	170.0	− 20.6
Rural North	16	47	66	312.5	40.4
Province	7	13	12	71.4	− 7.7

Provincial Capital Grants Per Household (\$)

Table B5-20

Environment	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	15	23	24	60.0	4.3
Regions	15	13	14	− 6.7	7.7
Cities South	10	6	6	− 40.0	0
Cities North	59	80	55	− 6.8	− 31.3
Rural South	4	7	7	75.0	0
Rural North	6	11	15	150.0	36.4
Province	14	15	15	7.1	0

Provincial Capital Grants Per Household (\$)

Table B5-21

Other*	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	1	1	0	0
Regions	5	3	5	0	66.7
Cities South	13	3	3	− 76.9	0
Cities North	14	20	8	− 42.9	− 60.0
Rural South	7	11	9	28.6	− 18.2
Rural North	4	2	11	175.0	450.0
Province	6	5	5	− 33.3	0

\*includes grants for the following functions: general government, protection, health and social services, and planning and development.

Provincial Capital Grants Per Household (\$)

Table B5-22

Total	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	135	148	106	− 21.5	− 28.4
Regions	79	83	90	13.9	8.4
Cities South	57	56	58	1.8	3.6
Cities North	116	149	119	2.6	− 20.1
Rural South	72	105	101	40.3	− 3.8
Rural North	73	109	173	137.0	58.7
Province	92	104	96	4.3	− 7.7

Long Term Borrowing Per Household By Sources (\$)

Table B7-1

Metro Toronto	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	17	0	18	5.9	—
Federal Government	19	35	18	− 5.3	− 48.6
Public	65	217	59	− 9.2	− 72.8
Subtotal	101	252	95	− 6.0	− 62.3
<i>Issued by School Boards</i>	15	16	31	106.7	93.8
Total Borrowed	116	268	126	8.6	− 53.0

Long Term Borrowing Per Household By Sources (\$)

Table B7-2

Regions	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	41	37	42	2.4	13.5
Federal Government	3	7	9	200.0	28.6
Public	113	100	43	-61.9	-57.0
Subtotal	157	144	94	-40.1	-34.7
<i>Issued by School Boards</i>	47	29	38	-19.1	31.0
Total Borrowed	204	173	132	-35.3	-23.7

Long Term Borrowing Per Household By Sources (\$)

Table B7-3

Cities South	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	9	10	10	11.1	0
Federal Government	16	6	1	-93.8	-83.3
Public	106	122	104	-1.9	-14.8
Subtotal	131	138	115	-12.2	-16.7
<i>Issued by School Boards</i>	18	8	11	-38.9	37.5
Total Borrowed	149	146	126	-15.4	-13.7

Long Term Borrowing Per Household By Sources (\$)

Table B7-4

Cities North	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	6	12	22	266.7	83.3
Federal Government	22	36	26	18.2	-27.8
Public	123	149	175	42.3	17.4
Subtotal	151	197	223	47.7	13.2
<i>Issued by School Boards</i>	17	10	18	5.9	80.0
Total Borrowed	168	207	241	43.5	16.4

Long Term Borrowing Per Household By Sources (\$)

Table B7-5

Rural South	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	40	33	32	-20.0	-3.0
Federal Government	3	8	0	-	-
Public	17	33	21	23.5	-36.4
Subtotal	60	74	53	-11.7	-28.4
<i>Issued by School Boards</i>	32	12	16	-50.0	33.3
Total Borrowed	92	86	69	-25.0	-19.8



# Long Term Borrowing Per Household By Sources (\$)

Table B7-6

Rural North	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	36	20	9	-75.0	-55.0
Federal Government	4	6	5	25.0	-16.7
Public	3	25	15	400.0	-40.0
Subtotal	43	51	29	-32.6	-43.1
<i>Issued by School Boards</i>	30	23	42	40.0	82.6
Total Borrowed	73	74	71	-2.7	-4.1

# Long Term Borrowing Per Household By Sources (\$)

Table B7-7

Province	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Issued by Municipalities</i>					
Ontario	29	22	29	0	31.8
Federal Government	9	15	9	0	-88.5
Public	77	118	53	-31.2	-55.1
Subtotal	115	155	91	-20.9	-41.3
<i>Issued by School Boards</i>	31	19	29	-6.5	47.4
Total Borrowed	146	174	120	-17.8	-31.0

# Net Debt And Unfinanced Capital Expenditures Per Household (\$)

Table B7-8

Metro Toronto	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	1,073	1,360	1,308	21.9	-3.8
School Boards	445	405	398	-10.6	-1.7
Subtotal	1,518	1,765	1,706	12.4	-3.3
<i>Unfinanced Capital Expenditures</i>					
Municipalities	113	-14	55	-51.2	-
School Boards	3	N.A.	5	66.7	-
Subtotal	116	N.A.	60	-48.3	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	1,186	1,346	1,363	14.9	1.3
School Boards	448	N.A.	403	-10.4	-
Total	1,634	N.A.	1,766	8.1	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$)

Table B7-9

Regions	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	808	1,007	1,006	24.5	-0.1
School Boards	630	577	556	-11.7	-3.6
Subtotal	1,438	1,584	1,562	8.6	-1.4
<i>Unfinanced Capital Expenditures</i>					
Municipalities	130	13	52	-60.0	300.0
School Boards	13	N.A.	11	-15.4	-
Subtotal	143	N.A.	63	-55.9	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	938	1,020	1,058	12.8	3.7
School Boards	643	N.A.	567	-11.8	-
Total	1,581	N.A.	1,625	2.8	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$) Table B7-10

Cities South	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	771	888	905	17.4	1.9
School Boards	424	361	330	-22.2	-8.6
Subtotal	1,195	1,149	1,235	3.3	7.5
<i>Unfinanced Capital Expenditures</i>					
Municipalities	103	39	68	-34.0	74.3
School Boards	2	N.A.	2	0	-
Subtotal	105	N.A.	70	-33.3	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	874	927	973	11.3	5.0
School Boards	426	N.A.	332	-22.1	-
Total	1,300	N.A.	1,305	0.4	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$) Table B7-11

Cities North	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	808	944	1,072	32.7	13.5
School Boards	646	550	525	-18.7	-4.5
Subtotal	1,454	1,494	1,597	9.8	6.9
<i>Unfinanced Capital Expenditures</i>					
Municipalities	149	163	107	-28.2	-34.4
School Boards	12	N.A.	8	-33.3	-
Subtotal	161	N.A.	115	-28.6	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	957	1,107	1,179	23.2	6.5
School Boards	658	N.A.	533	-19.0	-
Total	1,615	N.A.	1,712	6.0	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$) Table B7-12

Rural South	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	298	369	392	31.5	6.2
School Boards	436	374	350	-19.7	-6.4
Subtotal	734	743	742	1.1	-0.1
<i>Unfinanced Capital Expenditures</i>					
Municipalities	85	65	61	-28.2	-6.2
School Boards	2	N.A.	6	200.0	-
Subtotal	87	N.A.	67	-23.0	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	383	434	453	18.3	4.4
School Boards	438	N.A.	356	-18.7	-
Total	821	N.A.	809	-1.5	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$) Table B7-13

Rural North	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	273	308	303	11.0	-1.6
School Boards	730	663	631	-13.6	-4.8
Subtotal	1,003	971	934	-6.9	-3.8
<i>Unfinanced Capital Expenditures</i>					
Municipalities	63	45	66	4.8	46.7
School Boards	19	N.A.	7	-63.2	-
Subtotal	82	N.A.	73	-11.0	-
<i>Total Capital Fund Liabilities</i>					
Municipalities	336	353	369	9.8	4.5
School Boards	749	N.A.	638	-14.8	-
Total	1,085	N.A.	1,007	-7.2	-

# Net Debt And Unfinanced Capital Expenditures Per Household (\$) Table B7-14

Province	1975	1977	1978	1978/75 % Change	1978/77 % Change
<i>Net Debt Outstanding</i>					
Municipalities	754	931	925	22.7	-0.7
School Boards	521	471	449	-13.8	-4.5
Subtotal	1,275	1,402	1,374	7.8	-2.0
<i>Unfinanced Capital Expenditures</i>					
Municipalities	113	25	59	-47.8	136.0
School Boards	7	4	5	-28.6	25.0
Subtotal	120	29	64	-46.7	120.7
<i>Total Capital Fund Liabilities</i>					
Municipalities	867	956	984	13.5	2.9
School Boards	528	475	454	-14.0	-4.4
Total	1,395	1,431	1,438	3.1	0.5

# Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-15

General Government	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	32	40	36	12.5	-10.0
Regions	17	26	23	35.3	-11.6
Cities South	26	30	29	11.5	-3.3
Cities North	47	64	60	27.6	-6.3
Rural South	8	14	14	75.0	0
Rural North	5	24	18	260.0	-25.0
Province	21	29	26	23.8	-10.4

# Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-16

Fire	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	24	7	7	-70.8	0
Regions	8	12	12	50.0	0
Cities South	9	14	13	44.4	-7.2
Cities North	21	4	6	-71.4	50.0
Rural South	3	5	5	66.7	0
Rural North	5	12	11	120.0	-8.3
Province	12	10	9	-25.0	-10.0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-17

Police	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	18	28	26	44.4	-7.2
Regions	14	17	17	21.4	0
Cities South	21	24	21	0	-12.5
Cities North	9	25	23	155.5	-8.0
Rural South	0	1	1	—	0
Rural North	0	0	5	—	—
Province	13	17	17	30.8	0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-18

Other Protection	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	22	27	—	22.7
Regions	4	6	5	25.0	-16.7
Cities South	2	3	3	50.0	0
Cities North	28	33	45	60.7	36.4
Rural South	3	4	4	33.3	0
Rural North	0	0	0	0	0
Province	3	10	11	266.7	10.0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-19

Protection (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	42	57	60	42.8	5.3
Regions	26	35	34	30.8	-2.9
Cities South	32	41	38	18.7	-7.3
Cities North	58	62	74	27.6	19.3
Rural South	6	10	10	66.7	0
Rural North	5	12	17	240.0	41.7
Province	28	37	37	32.1	0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-20

Roads	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	186	197	174	-6.5	-11.7
Regions	151	177	170	12.6	-4.0
Cities South	157	193	201	28.0	4.1
Cities North	139	143	153	10.1	7.0
Rural South	25	24	26	4.0	8.3
Rural North	25	20	17	-32.0	-15.0
Province	132	148	142	7.6	-4.1

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-21

Transit	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	176	166	151	-14.2	-9.0
Regions	14	18	17	21.4	-5.6
Cities South	5	6	6	20.0	0
Cities North	7	11	11	57.1	0
Rural South	0	0	2	—	—
Rural North	1	0	0	—	0
Province	52	50	46	-11.5	-8.0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-22

Transportation (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	362	363	325	- 10.2	- 10.5
Regions	165	195	187	13.3	- 4.1
Cities South	162	199	207	27.8	4.0
Cities North	146	154	164	12.3	6.5
Rural South	25	24	28	12.0	16.7
Rural North	26	20	17	- 34.7	- 15.0
Province	184	198	188	2.2	- 5.1

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-23

Sewers	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	184	267	278	51.1	4.1
Regions	232	289	291	25.4	0.7
Cities South	280	306	301	7.5	- 1.6
Cities North	242	301	346	43.0	14.9
Rural South	70	80	81	15.7	1.2
Rural North	116	110	101	- 12.9	- 8.2
Province	191	239	244	27.7	2.1

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-24

Water	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	111	164	149	34.2	- 9.2
Regions	118	153	160	35.6	4.6
Cities South	72	72	67	- 7.0	- 7.0
Cities North	110	103	148	34.5	43.7
Rural South	65	73	68	4.6	- 6.9
Rural North	46	45	42	- 8.7	- 6.7
Province	97	125	123	26.8	- 1.6

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-25

Solid Waste	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	29	41	38	31.0	- 7.3
Regions	10	10	18	80.0	80.0
Cities South	33	52	60	81.8	- 14.3
Cities North	0	1	1	-	0
Rural South	5	12	15	200.0	25.0
Rural North	0	0	1	-	-
Province	16	23	27	68.7	6.7

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-26

Environment (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	324	472	465	43.5	1.5
Regions	360	452	469	30.3	2.2
Cities South	385	430	427	10.9	- 0.7
Cities North	352	405	494	40.3	22.0
Rural South	140	166	164	17.1	- 1.2
Rural North	162	155	144	- 11.1	- 7.1
Province	204	387	395	93.6	2.1



Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-27

Health	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	2	1	1	-50.0	0
Regions	45	59	53	17.8	-10.2
Cities South	20	15	14	-30.0	-6.7
Cities North	30	31	26	-13.3	-16.1
Rural South	7	6	5	-28.6	-16.7
Rural North	13	24	27	107.7	12.5
Province	22	26	24	9.1	-7.7

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-28

Social Services	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	115	144	157	36.5	9.0
Regions	9	8	8	-11.1	0
Cities South	14	11	10	-28.6	-9.1
Cities North	15	11	9	-40.0	-18.2
Rural South	9	9	9	0	0
Rural North	12	9	7	-41.7	-32.3
Province	51	43	46	-9.8	7.0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-29

Culture and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	154	232	218	41.5	-6.0
Regions	92	114	108	17.4	-5.3
Cities South	55	73	69	25.4	-5.5
Cities North	65	73	73	12.3	0
Rural South	16	21	22	37.5	4.8
Rural North	23	29	29	26.1	0
Province	86	117	110	27.9	-6.0

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-30

Tile Drainage	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	-	-
Regions	7	10	10	42.8	0
Cities South	0	0	0	-	-
Cities North	0	0	0	-	-
Rural South	67	91	108	61.2	18.7
Rural North	12	20	22	83.3	10.0
Province	16	22	25	56.2	13.6

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-31

Residential/Industrial Development	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	26	33	30	15.4	-9.1
Regions	22	46	55	150.0	19.6
Cities South	15	31	41	173.3	32.2
Cities North	27	45	58	114.8	28.9
Rural South	6	11	15	150.0	36.4
Rural North	3	3	9	200.0	200.0
Province	19	32	37	94.7	15.6

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-32

Planning (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	26	33	30	15.4	-9.1
Regions	29	56	65	124.1	16.1
Cities South	15	31	41	173.3	32.3
Cities North	27	45	58	114.8	28.9
Rural South	73	102	123	68.5	20.6
Rural North	15	23	31	106.7	34.8
Province	35	54	62	77.1	14.8

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-33

Total Municipal	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1,056	1,342	1,292	22.3	-3.7
Regions	743	946	947	27.4	0.1
Cities South	709	830	843	18.9	1.6
Cities North	740	846	959	29.6	13.3
Rural South	284	351	376	32.4	7.1
Rural North	303	295	292	-3.6	-1.0
Province	714	890	885	23.9	-0.6

Net Long Term Debt Outstanding Per Household By Function (\$) Table B7-34

Unconsolidated Boards	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	17	18	16	-5.0	-11.1
Regions	65	61	59	-9.2	-3.3
Cities South	62	58	62	0	6.9
Cities North	68	98	113	66.2	15.3
Rural South	14	18	16	14.3	-11.1
Rural North	11	13	11	0	-15.4
Province	40	41	40	0	-2.4

Debt Charges Per Household By Function (\$) Table B7-35

General Government	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	5	6	7	40.0	16.7
Regions	3	4	4	33.3	0
Cities South	5	4	4	-20.0	0
Cities North	4	7	8	100.0	14.3
Rural South	2	2	2	0	0
Rural North	3	3	5	66.7	66.7
Province	4	4	5	25.0	25.0

Debt Charges Per Household By Function (\$) Table B7-36

Fire	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	2	2	2	0	0
Regions	1	2	2	100.0	0
Cities South	1	2	3	200.0	50.0
Cities North	1	1	1	0	0
Rural South	1	1	1	0	0
Rural North	1	2	2	100.0	0
Province	1	2	2	100.0	0

Debt Charges Per Household By Function (\$)

Table B7-37

Police	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	2	4	5	150.0	25.0
Regions	1	2	2	100.0	0
Cities South	3	3	3	0	0
Cities North	2	3	3	50.0	0
Rural South	0	0	0	0	0
Rural North	0	0	0	0	0
Province	1	2	3	200.0	50.0

Debt Charges Per Household By Function (\$)

Table B7-38

Other Protection	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	3	4	4	33.3	0
Regions	1	1	1	0	0
Cities South	0	0	0	0	0
Cities North	3	4	5	66.7	25.0
Rural South	0	1	1	—	0
Rural North	0	0	0	0	0
Province	1	1	2	100.0	100.0

Debt Charges Per Household By Function (\$)

Table B7-39

Protection (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	7	10	11	57.1	10.0
Regions	3	5	5	66.7	0
Cities South	4	5	6	50.0	20.0
Cities North	6	8	9	50.0	12.5
Rural South	1	2	2	100.0	0
Rural North	1	2	2	100.0	0
Province	3	5	7	133.3	40.0

Debt Charges Per Household By Function (\$)

Table B7-40

Roads	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	41	41	44	7.3	7.3
Regions	24	31	31	29.2	0
Cities South	25	32	34	36.0	6.2
Cities North	27	29	29	7.4	0
Rural South	5	5	5	0	0
Rural North	5	5	5	0	0
Province	25	27	29	16.0	7.4

Debt Charges Per Household By Function (\$)

Table B7-41

Transit	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	20	21	22	10.0	4.8
Regions	2	2	3	50.0	50.0
Cities South	1	1	1	0	0
Cities North	1	2	2	100.0	0
Rural South	0	0	0	0	0
Rural North	0	0	0	0	0
Province	6	6	7	16.7	16.7

Debt Charges Per Household By Function (\$)

Table B7-42

Transportation (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	61	62	66	8.2	6.4
Regions	26	33	34	30.8	3.0
Cities South	26	33	35	34.6	6.1
Cities North	28	31	31	10.7	0
Rural South	5	5	5	0	0
Rural North	5	5	5	0	0
Province	31	33	35	12.9	6.1

Debt Charges Per Household By Function (\$)

Table B7-43

Sewers	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	33	39	46	33.4	17.9
Regions	28	34	36	28.6	5.9
Cities South	36	46	47	30.5	2.2
Cities North	35	42	46	31.4	9.5
Rural South	8	10	11	37.5	10.0
Rural North	16	17	17	6.2	0
Province	26	32	35	34.6	9.4

Debt Charges Per Household By Function (\$)

Table B7-44

Water	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	20	25	27	35.0	8.0
Regions	16	18	19	18.7	5.5
Cities South	11	12	12	9.1	0
Cities North	14	15	15	7.1	0
Rural South	8	9	10	25.0	11.1
Rural North	8	9	8	0	-11.1
Province	14	17	18	28.6	5.9

Debt Charges Per Household By Function (\$)

Table B7-45

Solid Waste	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	4	6	7	75.0	16.7
Regions	1	1	2	100.0	100.0
Cities South	5	6	7	40.0	16.7
Cities North	0	0	0	0	0
Rural South	1	1	1	0	0
Rural North	0	0	0	0	0
Province	2	3	4	100.0	33.3

Debt Charges Per Household By Function (\$)

Table B7-46

Environment (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	57	70	80	40.3	14.3
Regions	45	53	57	26.7	7.5
Cities South	52	64	65	25.0	1.6
Cities North	49	57	61	24.5	7.0
Rural South	17	20	22	29.4	10.0
Rural North	24	26	25	4.2	-3.9
Province	42	52	57	35.7	9.6

Debt Charges Per Household By Function (\$)

Table B7-47

Health	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	0	0	—	0
Regions	7	9	9	28.6	0
Cities South	5	3	2	— 60.0	— 33.3
Cities North	8	8	6	— 25.0	— 25.0
Rural South	1	1	1	0	0
Rural North	2	4	4	100.0	0
Province	4	4	4	0	0

Debt Charges Per Household By Function (\$)

Table B7-48

Social Services	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	11	11	14	27.3	27.3
Regions	1	1	2	100.0	100.0
Cities South	2	2	2	0	0
Cities North	3	3	2	— 33.3	— 33.3
Rural South	2	2	2	0	0
Rural North	2	2	2	0	0
Province	6	4	5	— 16.7	25.0

Debt Charges Per Household By Function (\$)

Table B7-49

Culture and Recreation	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	21	31	36	71.4	16.1
Regions	11	16	16	45.4	0
Cities South	8	11	11	37.5	0
Cities North	9	10	11	22.2	10.0
Rural South	2	3	3	50.0	0
Rural North	3	5	4	33.3	— 20.0
Province	11	16	18	63.6	12.5

Debt Charges Per Household By Function (\$)

Table B7-50

Tile Drainage	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	0	0	0	0	0
Regions	1	1	2	100.0	100.0
Cities South	0	0	0	0	0
Cities North	0	0	0	0	0
Rural South	9	13	16	77.8	23.1
Rural North	1	1	3	200.0	200.0
Province	2	3	4	100.0	33.3

Debt Charges Per Household By Function (\$)

Table B7-51

Residential/Industrial Development	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	2	3	200.0	50.0
Regions	4	5	5	25.0	0
Cities South	3	0	3	0	—
Cities North	2	4	5	150.0	25.0
Rural South	2	2	3	50.0	50.0
Rural North	1	1	0	—	—
Province	3	3	4	33.3	33.3



Debt Charges Per Household By Function (\$)

Table B7-52

Planning (Total)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	1	2	3	200.0	50.0
Regions	5	6	7	40.0	16.7
Cities South	3	0	3	0	—
Cities North	2	4	5	150.0	25.0
Rural South	11	15	19	72.7	26.7
Rural North	2	2	3	50.0	50.0
Province	5	6	8	60.0	33.3

Debt Charges Per Household By Function (\$)

Table B7-53

Unconsolidated Boards	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	4	0	0	—	0
Regions	9	0	0	—	0
Cities South	11	0	1	—90.9	—
Cities North	10	0	0	—	0
Rural South	2	0	0	—	0
Rural North	2	0	0	—	0
Province	7	0	0	—	0

Debt Charges Per Household By Function (\$)

Table B7-54

Total (All Functions)	1975	1977	1978	1978/75 % Change	1978/77 % Change
Metro Toronto	168	192	217	29.2	13.0
Regions	109	128	134	22.9	4.7
Cities South	116	128	131	12.9	2.3
Cities North	119	126	133	11.8	5.5
Rural South	43	51	57	32.5	11.8
Rural North	44	49	51	15.9	4.1
Province	113	127	137	21.2	7.9











